

National Municipal Review

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The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the Engineering Index Service, the Index to Legal Periodicals, the International Index to Periodicals and in Public Affairs Information Service.

League's Business

League's Council Holds Meeting

A special meeting of the council of the National Municipal League was held at the Hotel Deshler-Wallick, at Columbus, Ohio, on Thursday, December 29th. The following members were present: President C. A. Dykstra, Mrs. Walter S. Greenough, A. R. Hatton, William E. Mosher, S. V. Norton, Clarence E. Ridley, Allen H. Seed, Jr., Frank M. Stewart, and P. P. Womer, together with Howard P. Jones and Alfred Willoughby of the League staff.

One of the major items of business to come before the meeting was the question of the location of the headquarters of the National Municipal League. The new vehicular tunnel under the East River in New York City will cut through the building at 309 East Thirty-fourth Street, where the League's offices are now located. The League has been notified that it must evacuate its quarters before March 1st. After thorough discussion of the matter, including consideration of other locations in New York and the middle west, the matter was left to a special committee to be appointed by President Dykstra.

Establishment of a committee to deal with problems of public opinion in government was authorized. There was also considerable discussion of the necessity for expanding the field work of the League and regional conferences in the south and on the west coast during the coming year were authorized.

The council also authorized a change in the size of the NATIONAL MUNICIPAL REVIEW upon recommendation of the staff. Much of the material in the REVIEW is now reprinted in pamphlet form and the new size will lend itself more readily to this type of treatment, it was emphasized, in addition to being a more convenient size to handle.

Baldwin Prize Essay Award Made

Edwin E. Warner, of DePauw University, Greencastle, Indiana, is the winner of the 1938 Baldwin Prize Essay Award of one hundred dollars for his paper, "A Study of the Indiana Plan of Budgetary Review." Honorable mention was accorded to Richard G. Lapworth of Wayne University, Detroit, writing on "The Problems of Organizing and Sustaining the Detroit Citizens League as a Citizen Reform Agency in Detroit"; John S. Vollmer, Amherst College, "The Operation of the City Manager Plan in New Rochelle, New York"; and George M. Hanning of Wayne University, "The Automobile Trailer in Michigan." Judges in the contest were Professor George C. S. Benson of the University of Michigan, Professor E. B. Schulz of Lehigh University, and Howard P. Jones, secretary of the National Municipal League.

Announcement of the subjects for the 1939 contest was made in the December 1938 NATIONAL MUNICIPAL REVIEW.

HOWARD P. JONES, *Secretary.*

National Municipal Review

Editorial Comment

Will Democracy Become "Popular"?

IT SEEMS to be customary nowadays to start discussions of public affairs by giving fervent thanks because we in this country can still hold meetings and look critically at things as they are, to be followed by a few moments of prayer that we be enabled to hold fast, in a crazy world, to democracy and the freedom of the individual which it implies.

To demonstrate their faith in and support of democracy some feel it is necessary only to vigorously lambast the villainous dictators. It may take a little of that to break through the hard crust of mass indifference. We may be able to teach ourselves what democracy *is* by pointing a warning finger at the fearful thing which it is *not*. A generation ago even most of the monarchies were comparatively democratic in practical operation and there was a general feeling that the whole world was moving along together with nothing much to worry about. The picture is vastly changed today.

Still, we might well ask ourselves: Are these dictators the most dangerous enemies of our democracy?

To those who have concerned themselves more than ordinarily

with the problems of local government (by all means including county), the problem of democracy on a world or even a national scale seems secondary, like the assurance that you will have some hens presently if you start out with chicks.

If we can develop in our villages, towns, cities, and counties a popular understanding of what democracy demands of those who own it—enlightened understanding and genuine participation—the result, with almost mathematical certainty, will be a workable, functioning democracy at the roots. The rest should follow as a matter of course—state, nation, world.

We learned not so long ago that democracy did not necessarily consist so much in electing everyone down to the dog catcher as in popularly controlling the key figures in any governmental unit. This is the essence of the short ballot movement. By additional means, such as the council-manager plan, we have learned that a more efficient set-up is at the same time more genuinely democratic. No one claims seriously that our notorious boss-ruled cities, where large majorities of the people for one reason or another vote as the bosses command, even remotely approach the outstanding council-

manager cities in implementing the basic principles of democracy.

The fact that a growing number of colleges and universities are providing training for public administration is one of the most hopeful signs on a murky horizon. Schools can give more than lip

service to the cause of preserving democracy if they will send *all* their graduates back home imbued with a zeal to understand and solve local problems and confident in the knowledge that they soon will be or can be leaders in their own communities.

Lesson No. 1: "How To Be Smart"

ONE thing the matter with the "reformers," the old line politicians know, is that "they aren't smart enough." That is, they aren't smart enough in the devious ways of political trickery.

We might take the case of Chicopee, Massachusetts, as a typical example. Chicopee is a community of forty thousand near Springfield. A loosely formed organization of political amateurs espoused the council-manager form of government at the November election. Innocently, they thought an intelligent people needed only the facts on which to base their decision.

But they failed to recognize how exceedingly "smart" their opponents were. The political machine pointed with scorn at the "failure" of the manager plan in another Massachusetts city; but of course they didn't admit the failure was due entirely to the shameless interference of spoils politicians who chronically oppose any medium which will enable voters to escape their control. The political machine circulated among voters of French-Canadian

descent a French language circular designed to inflame racial fears and hatreds; though it is obvious the manager plan is no device especially made to unseat from office those with French names. The political machine claimed the closing of public schools in Dayton, Ohio, (oddly enough, the day before election) was due to bad planning by that city's very good manager administration; although it could easily have been determined that city administrations in Ohio have no control over the financial affairs of school districts. They charged that "experience proves" the manager plan "increases taxes and bonded indebtedness," whereas the records of hundreds of cities prove the opposite. Citing the case of Kansas City and, of course, ignoring such outstanding successes as Cincinnati and Toledo, to name only two, they claimed the manager plan is "made to order" for politicians and political machines. They branded the manager plan a one-man dictatorship, whereas it is the *only* form of municipal government in which the

(Continued on Page 76)

Democracy at the Crossroads

By C. A. DYKSTRA

President, University of Wisconsin

"If freedom and liberty be worth struggling for, let us use our far-flung educational and communication devices to help us in that struggle."

IN THE early days of this association, when it was called the Conference for Good City Government, the National Municipal League membership was made up in large part of laymen who were interested in their own community, in their municipal government and its problems. They recognized that much of what passed for municipal operation in their respective communities was exploitative in the interests of local parties and all too neglectful of the welfare of the citizens as a whole.

They knew that the rapidly growing American city was considered an oyster to be opened by those who had seized and were maintaining control of the local political machinery. They were urged on to civic efforts by the caustic criticism of municipal public life which had appeared in James Bryce's *American Commonwealth*, published just fifty years ago. They recognized that the picture drawn by Lincoln Steffens in his *Shame of the Cities* was on the whole pretty accurate. These laymen believed that something should be done about our municipal situation and they believed

that by getting together once a year they could take counsel with each other, exchange experiences, explore the facts, study the structure of local government, and get inspiration and information which would aid them individually in attacking their local problems and waking up their local citizenship to an awareness of responsibility for local concerns.

Today the National Municipal League is made up in some large part of professional and technical men and women who come together to study the techniques of administration, explore the expanding field of governmental functions, and discuss problems of structure and municipal operation which were unknown and unimagined in those early years.

This is the forty-fourth annual conference of the League. The first conference antedated by and large the establishment of voters' leagues, of governmental research bureaus, of departments of government or political science in American colleges and universities, and the publication of monographs, articles, and books in the field of local government. Those laymen, practically speaking, had no literature, no bibliography, no worthwhile reports on the subject of their interest, no surveys and no organizations, local or national, to which to turn for aid and comfort. That first conference was a bold undertaking and is testimony to the character and quality of those pioneers in our field.

The National Municipal League of today lives in an entirely different world and it has broadened its scope of interest very considerably. It has undertaken through the years to draft and publish a model charter for American cities, a model state constitution and model legislation, both in the form of local ordinances and state statutes, in several fields. It is interested in county government, for instance, and in national policy and administration. It is moving on many fronts announcing, in fact, that it has taken all government for its province. This is exactly as it should be for if there is any one thing that we all recognize today it is that we cannot separate local from state problems or state from national problems, or hope to find solutions for the difficulties in which we find ourselves unless all of the agencies of government coöperate in these solutions. Problems of relief, or taxation and credit, of planning and of management and administration are in the last analysis problems in coöperation and co-ordination to be solved, if at all, by joint efforts cutting through all of the levels of government.

As one peruses the older programs of the League and the literature of the field he is struck by the fact that reference is made to and lessons are drawn from European experiences, particularly in local governments and in general administration. Apparently our young democracy had much to learn from what we believed was the solid and substantial achievement of the older countries of

western Europe which were adapting their procedures and ideals to the democratic lessons learned from this side of the water. They were learning about democracy and popular government from us, and we, in turn, were finding much to emulate in their handling of technical administration. In the early years of the century we were counting upon the fact that there was a growing democratization of European political institutions and many of us felt that much more progress was being made in those older countries than we were able to make over here, given our peculiar frontier experience and our individualistic conception of a way of life.

A CHANGING PICTURE

This idyllic and comfortable picture has changed and that rather suddenly. As we look across the water today, we see little that is encouraging to us and much to fear. Our attention is completely distracted from any study of European administrative techniques because the democratic organization which we assumed was a substantial achievement in these older countries has been thrown into the discard, and we face new and rather terrifying lessons to be learned from our one-time imitators. Such democracies as still persist in Europe today seem to find themselves compelled to come to terms with the dictatorships which have been built upon the ruins of democratic experiments. We realize with some amazement that the so-called democratic solution to which we

have given our loyalties through the years not only has failed in many places but is on trial in many others. It is a disheartening and tragic fact to be reckoned with.

I have been asking myself what this means to us who still cherish the idea of democracy for the United States and to the National Municipal League and its program. We in this country are facing situations both political and economic which democracy in Europe seemed unable to solve through the agencies of popular government. We are being told that France, for instance, cannot accommodate her present difficulties without some resort to strong-arm methods such as are being used by her neighbors. With the possible exception of England it seems quite possible that before long the United States will be the only surviving power for world democracy.

The National Municipal League through the years has been a great educating influence in spreading some knowledge of techniques in democratic government. It has insisted upon structural devices which have their base in popular representation and their operating agencies attuned to the ideals and methods of modern administration. We have emphasized proportional representation as a device for carrying out the democratic principle. By and large, however, we have been emphasizing efficiency and the possibilities of achieving effective results through democratic governmental agencies. Quite naturally we have taken for granted the perpetuation in America of the democratic pro-

cess. In these latter days, none the less, we are finding many who say they are disillusioned. Faith in the democratic experiment is not as strong even in the United States as it was a decade ago. Moreover, our traditional way of life is being assailed from the outside. The short wave radio broadcasts from other shores and the activity of propagandists here and there in local communities are raising questions in the minds of many Americans which make us wonder sometimes just how invulnerable to world movements America is.

EDUCATION FOR DEMOCRACY

Is it not time for all of our educational enterprises in the United States to recognize how widespread is the teaching throughout the world which by precept and implication throws overboard the whole theory and method of democracy? Is it not time for us to find out why it has been so easy for the dictators to get rid of democratic processes? We have thought it unnecessary to fire the imagination of our people with a passion for our traditional way of life.

The dictators are not making this mistake. They are cultivating a common interest and a new goal. They are teaching the doctrine that to save one's life one must lose it in devotion to a common social ideal. They are using every available educational facility for pounding home this ideal. They are making zealots out of citizens and arousing an enthusiasm for the new order which passes our understanding. They are bringing up a generation which is con-

fident of itself and ready to dare anything for the accomplishment of a national goal.

If we really believe in the democratic way we face the problem not only of achieving it but of maintaining it. It may be that before long this will be peculiarly an American obligation. It is not necessary to be an alarmist to make such a suggestion. It just seems good sense to examine ourselves a little when we live in a world in which democracies are crashing to their doom on every hand. Perhaps one of these days we shall have to decide that even here in the United States all of our educational facilities—schools, the press, the radio, and the screen—will have to be marshalled together in an effort to give the American people an understanding of the problems facing our civilization and our democracy.

EDUCATIONAL PROGRAM NECESSARY

These various agencies by entirely proper and democratic means might be able to fire our people with a sense of unity, a common cause, a clear objective, and a love of America and what its perpetuation may mean in this confused and warring world. It was the idea of the founders of her republic that only through education would it be possible to perpetuate the idea of freedom and self-government. If they were right

and if we still believe in democracy perhaps the world situation warns us that we must develop at least for a time a conscious educational program which will give democracy a chance for survival and for demonstrating that it can meet the challenges inherent in modern life.

The National Municipal League, through the use of committees, has inspired millions in America to try a better way of life in local jurisdictions. I bring to you the suggestion that along with our efficiency committees now working on so many problems we set up one to bring together the schools, the press, the radio, and the screen in a program which will help all Americans, young and old, to understand the meaning of our history and our institutions, to cherish the values that underlie our American traditions and aid all in learning how to use democratic processes for the common good.

It is a common saying that eternal vigilance is the price of liberty. If, then, freedom and liberty be worth struggling for, let us use our far-flung educational and communication devices to help us in that struggle. The freedoms of these agencies themselves may be at stake.

EDITOR'S NOTE—Excerpts from address of the president of the National Municipal League before its forty-fourth National Conference on Government, Baltimore, Maryland, December 1, 1938.

Merit System Advancing in New York City

By PAUL J. KERN

President of the New York City
Civil Service Commission

Despite obstacles created by politicians and courts, the present Civil Service Commission has reduced political appointees in the city's service to less than one-half of one per cent.

THREE is a popular notion that reform is accomplished by the election of a reformer. Nothing could be further from the truth. Reform begins with the election of reformers; it does not end there.

The problem of reform is a continuing problem of enlightening the community, or the intelligent portion of it, as to the continuing accomplishments and benefits of civil service reform. The election of Mayor LaGuardia in New York City in 1933 made possible the beginning of civil service reform in that city, but even with his unswerving support there have been five long years of unremitting toil against obstacles until the present time, when the City of New York has the lowest percentage of politically appointed jobs of any city, state, county, or the national government in the entire United States. The number of political appointees, in fact, is less than one half of one per cent and it can now be truthfully stated that public employment in the City of New York is 99.44 per

cent pure. The story of this progress is largely a story of obstacles and how they were overcome.

First of all obstacles to the merit system everywhere is the professional politician. New York City has had its share of this type of bacteria but the Civil Service Commission has fortunately had the steadfast support of the Mayor in its efforts to extinguish him. The people of the city have done their share. They twice defeated the professional politicians of both parties at the polls, and outside of judicial patronage and organized crime there is practically nothing left to support the patronage machines.

The professional politicians made a number of gallant last stands and some of the rear guard actions are still being fought. Only a short time ago, for instance, we were somewhat interested to find a special consulting engineer employed by Borough President Harvey of Queens. According to the appointment, this was a job of special confidential character which an ordinary civil service engineer could not possibly perform. It paid \$5,000 a year. The commission requested the so-called engineer to come in for an examination and discovered to its alarm that he was not a licensed engineer at all and knew nothing of engineering terms. He was supposed to supervise the construction of a million-dollar building but the actual supervision was already being done by quali-

fied civil service men from another city department.

The technical training of this mysterious expert was as a sailor in the United States Navy and apparently he possessed only one high qualification for the job—he was the Borough President's brother-in-law. When the Commission stopped his pay the Borough President loosed a resounding cry of anguish and dolefully predicted that construction would immediately stop upon the huge public building. We were not surprised to find that construction proceeded as usual.

WORK FOR WORK'S SAKE

Most pathetic is the Weppler case. Three years ago the Civil Service Commission descended upon a choice nest of political patronage, the Municipal Court clerkships. There was a terrific court fight and the Court of Appeals, with customary support for the merit system, upheld the Commission and the jobs became competitive. But one of the boys couldn't believe his eyes and just couldn't bring himself to believe that the good old days were gone forever. So he has continued working for three years without pay. Rarely have we seen a politician who loved his job so much. Often we see the pathetic sight of a politician who loves the payroll so much that he is willing to receive pay for no work, but seldom a politician whose love is so great that he is willing to work for no pay.

But reform is contagious and, in fairness, it should be said that

some of the more enlightened political offices have voluntarily yielded to common sense and moral pressure in the matter of civil service reform.

The city clerk, for instance, had more than forty political jobs. These employees issued marriage licenses. One civil service clerk could fill out about fifty a day but the political appointees averaged about six a day. About once a month there was a couple who couldn't speak or read English and for this couple the office had six interpreters. It was explained to the Commission, however, that they needed the six interpreters because none of the politically-appointed typists could type and the politically-appointed interpreters who couldn't and didn't interpret, had to be employed to do the typing for the typists who couldn't type. There was a new city clerk this last January. He took one look at the office and without a struggle agreed to make it civil service.

Similarly the Board of Elections. For many years the Board of Elections has stood strictly on its legal right to employ bipartisan political appointees without qualifying examinations. The Commission has agitated endlessly for reform and has sued them and been sued ad nauseam, and except for canvasser for the 1937 P.R. election, all to no avail. The Commission applied all the moral pressure it could by stopping payrolls so far as possible but still nothing happened, until by a genuine change of heart the Board of Elections itself finally asked the Com-

mission to prepare qualifying tests for its workers. This has been done. The entire good faith of the Board thus far has already become apparent and out of the first eight hundred canvassers examined about 15 per cent have failed the qualifying tests. This means that a hundred incompetent employees, who would formerly have been employed and paid by the taxpayers, will be replaced by able, conscientious, qualified people. It is fair to state that the Board of Elections itself is well satisfied with the arrangement, and truly the acceptance of qualifying tests by this huge organization, employing as it does more than twenty thousand persons a year, is a grand step in the progress of the merit system in New York City.

FAVORITISM PLAYS A PART

It must not be lightly assumed that the obstacles to the merit system are all in wolf's clothing. Just as tenacious as the professional politician is the well intentioned department head who feels that so and so is a nice man and that he just can't afford to let him go.

Department heads have the right to appoint provisionals for not more than four months for emergency work when lists are not ready on time. The total number of such provisionals is well under 2 per cent but there have been some strange cases.

A few weeks ago the list for stationary engineer electric ran out and suddenly there was a great epidemic of provisional ap-

pointments for stationary engineer electric. This is a purely mechanical job, involving the operation of electric equipment. Being oversuspicious, as usual, the Commission held an open hearing and found that most of these stationary engineers were file clerks, typists, and porters.

It is fair to state that on the whole, and wholeheartedly, the department heads have been more than sympathetic with the merit system. Again the Commission has had the full coöperation of the Mayor and he has some considerable influence over his own commissioners. In some departments, furthermore, we have avowed reformers for commissioners such as Russell Forbes in the Department of Purchase. In these departments we have trouble keeping up with the department head and in the purchase department especially we have had most happy coöperation in our choice by competitive examinations of exceptionally able buyers for the city's fifty-million-dollar-a-year purchasing job. Here, too, we are pleased to report another significant result of the merit system—the result of nondiscrimination. For in the Purchase Department the man who came out number one on the list for buyer of drugs and chemicals was a colored man and he was forthwith appointed and is becoming one of the ablest members of the entire purchasing staff.

Going on from obstacle to obstacle we come next to number three—the courts. The Commission had very good relations with

the courts until it started looking with a fishy eye on the court clerks and until it privately expressed the opinion that judicial patronage in the form of receiverships and what-not was as great an evil as executive patronage. The Commission still has good relations with the Court of Appeals of the state and with many of the Supreme Court justices. The same is not uniformly true, however, of the Appellate Division.

Take the case of lifeguards, for instance. There have been lifeguards in the city service for sixteen years without examination. Physical abilities vary over a sixteen-year period so this spring the Commission decided to give them a qualifying test in swimming only. It felt that the safety of millions of swimmers on city beaches demanded such qualification. Unfortunately, one of those subject to such examination was secretary to a political organization of city employees headed by a former Tammany officeholder. He brought suit. The Appellate Division thereupon decided that the Commission could not give a qualifying test and that the only remedy was to dismiss on charges, after employment, those lifeguards who were unfit. Mothers who send their children to city beaches, therefore, have the comfort of knowing that if their children are left to drown by an incompetent lifeguard, the lifeguard is subject to dismissal. These mothers cannot legally have the satisfaction of knowing in advance, however, that such lifeguard is able to swim.

This was all decided on very high principle that the rules didn't provide for such a qualifying test. About the same time, however, Supreme Court Justice McGoldrick showed his respect for the same rules by issuing an order directing the Commission to violate those rules to admit a man to a promotion examination for which he was not eligible. (In fairness it should be noted that this latter decision was later reversed.)

JUDGE RATES PAPERS

Then there was the case where Mr. Justice McGeehan decided to rerate the papers for foreman in the Department of Sanitation. In line with the career service the Commission gave an examination, the first in the history of the city for street sweepers, for promotion to foreman, Department of Sanitation. Almost a thousand street sweepers took the examination. One question asked them to write on "one of the following three subjects," and three-quarters of them wrote on all three. The instructions said that appropriate penalties would be deducted for failure to follow directions and so all three questions were rated on the basis of 33 per cent apiece and then 10 per cent was deducted as a further penalty from the answer. Mr. Justice McGeehan disagreed with the examiners and decided that the penalty, instead of being 10 per cent should be complete disqualification, so he ordered three-quarters of the candidates disqualified. These men were not Harvard graduates or even Supreme Court Justices and we

felt this judicial penalty grossly unreasonable. (On appeal this decision was reversed too.)

Now there is the case of laundry bath attendants. There are more than two thousand titles in the city service and naturally the Commission cannot give a separate examination for each separate title. Fortunately, many of them are cognate and the law provides that the Commission must certify "appropriate" lists and it is therefore enabled to keep abreast of the huge number and variety of vacancies by such certifications.

One hundred fifty-three certifications of appropriate lists were made last year, and one of those certifications was the list of attendant, female, to fill the position of laundry bath attendant, female. The difference in duties is that a female attendant is assigned to the girls' gymnasium in a high school, whereas a laundry bath attendant is assigned to a girls' swimming pool and is required to dry the swimming suits after they are used. This monumental difference in function, however, induced the Appellate Division to denounce as arbitrary and capricious our appropriate certification of one list for the other position. Incidentally, the decision leaves undisturbed in the position of laundry bath attendant a group of non-civil service employees who almost had political influence enough last winter to get an act passed in the legislature to cement them in. They didn't need political influence in the legislature, however. All they

sought was given to them by the Appellate Division.

Truly the delights of a reformer are multiplied by the judiciary. This fall in New York State the people overwhelmingly defeated an amendment to give the courts power to review factual determinations of administrative bodies, but despite all these efforts by the people the courts, whose members are incidentally almost unanimously from Tammany Hall, blithely review factual determinations, just as though the people had not voted at all.

EXEMPT JOBS REDUCED

Despite all this, however, great progress is being made in New York City every day. Tremendous departments, such as the Board of Transportation with six thousand employees and the Emergency Relief Bureau with twelve thousand employees, have been placed under the merit system and the number of exempt jobs has been reduced to practically nothing. In another large department such as the Department of Hospitals large groups of employees formerly non-competitive have been transferred to the competitive class. Since exempt political employees have been practically eliminated, the job from now on will be to press as many of the non-competitive positions as possible into the competitive class so that, instead of a qualifying examination, candidates must secure appointment by open competition.

The covering in of highly paid administrative positions to the

competitive class has opened up tremendous promotional opportunities never before available to the ordinary civil service employee. The Commission now has on the Mayor's desk for approval—and expects his approval—a resolution eliminating every exempt position in the Department of Water Supply, Gas and Electricity. This huge department, employing as it does more than two thousand persons, will thus be under the merit system from the bottom to the top commissioner at \$10,000 a year.

CONSTITUTIONAL PROVISION A SAFEGUARD

Due credit must be given to the basic implement by which such reform is possible, that is, the provision of the state constitution providing that "all appointments and promotions wherever practicable shall be by competitive examination." This provision, buttressed and fortified by strong decisions of the Court of Appeals, has made civil service reform a matter merely of good intentions rather than militant enterprise on the part of the present Civil Service Commission. It is not flattering to realize that its predecessors lacked these good intentions for so many generations past. But now that the system is an operating one, it is our hope, and we feel assured, that it will never regress.

Neither has the Commission lost sight of the great social objectives of the merit system and it is giving steady attention to the three great goals of merit system administration:

1. To eliminate political machines based upon patronage and bring about true democracy at the polls;
2. To eliminate all types of race and religious discrimination in public employment;
3. To operate the public service, and especially the great public utilities of the public service, as efficiently and as conscientiously as the best of private enterprises.

It is significant that a civil service system and Hitler could not exist side by side in Germany and that he was compelled to abolish the merit system in order to preserve his position of Fascist power. It is syllogistic, I think, to conclude that strong administration of the merit system strengthens and supports democratic government as one of its firmest pillars.

With all our troubles, we are exhilarated at the results of a dynamic merit system going forward steadily. Thirty-five services have been graded which means that promotion is on merit and by competition. An administrative service has been established for high-paying executive jobs covered into the competitive class.

A bi-annual service rating system is now extended to all civilian employees of the city, and in-service training courses this year have an enrollment of 4,500. The commission is coöoperating with the city colleges in setting up training schools for public service.

Recruiting is steadily improving

and the 316 girls who recently passed the policewoman examination had 369 college degrees among them. On top of the fireman list we had more than one hundred graduate engineers.

Competition for public jobs is becoming keener and we are reaping the benefits of such competition. The Commission is steadily improving its mental and physical examining technique. It is expanding the use of objective tests. Safeguards have been placed about oral examinations and all important ones are now recorded electrically. Rating of papers is done largely by machine, releasing valuable examiners to other important work.

PUBLICITY SERVICE

The Commission has a weekly radio program and a monthly official bulletin and recently the newspaper of second largest circulation in the city, the *Daily Mirror*, established a weekly civil service page to give swift and accurate information to the public.

The Commission's facilities for supplying public information are very important to it. Unfortunately, existing facilities when the present Commission took office were in the hands of a former Tammany officeholder named Frank J. Prial whose chief asset as a civil service reformer was that he had been dismissed on charges from the only competitive job he ever had. So close was his connection to the powers of civil service that there were advertise-

ments for jobs withheld from the city record and made available only for publication by him. The Commission stopped that.

We are building up our own recruiting and information media, much to the alarm of Mr. Prial, and are happy to report that Mr. Prial and his organization still dislike us intensely and will, we trust, continue to do so.

Skilled trades have all been placed in the competitive class and the city is no longer confined to haphazard selection of skilled labor. The Commission is gradually taking over testing for trade licenses within the city and has recently held examinations for plumbers' and welders' licenses and is about to hold tests for motion picture operators' and electricians' licenses. This is an interesting development in merit system administration. Even though understaffed, the Commission is making an earnest effort at research and is now completing study validating tests against certain outside criteria and making careful job analyses.

We are bedeviling the last remaining outposts of spoils. All in all we feel contented and pleased about the merit system advancing in New York City. It is a good and noble fight. Firm support from the public and the Mayor is making it a successful one.

EDITOR'S NOTE.—Address delivered before the Forty-fourth National Conference on Government of the National Municipal League, Baltimore, Maryland, December 1, 1938.

Local Responsibility for Public Assistance

By GEOFFREY MAY
*Bureau of Public Assistance,
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"Though planning must proceed on a nation-wide scale, the ultimate point where the plan and the people meet is still the local community."

THE problems here discussed have been at least three hundred years in the making. The city has held the center of the stage in public welfare planning since the first colonial metropolis, with its few thousand inhabitants, emerged on the eastern fringe of the frontier.

American history may present a kaleidoscope of change in other fields. But in public welfare, right down to the present, the picture is practically unchanging—the picture of the local community, the city, the town, or the county, holding up single-handed almost the entire burden of public responsibility for the needy and distressed—a veritable Atlas. The all-encompassing and far-reaching changes of the past six years have to a considerable extent removed from our cities this onerous distinction. But the fact that they have become partners with the state and federal governments in a genuinely national public welfare program has not reduced their responsibilities, either financial or administrative. The partnership has, in fact, brought new problems.

There were legitimate reasons

for the emphasis our forebears placed on local responsibility for the public welfare, just as there have been legitimate reasons for the extension of that responsibility to the states and the nation. In the first place, the local idea of the old Elizabethan "poor laws" was part of the legal baggage brought over in the hold of the *Mayflower*. In the second place, it was the more easily transplanted because, in a new and forest-bound country, only compact and sturdy seedlings of government could take root. There was no real state government, certainly no national government.

A third and once logical reason for local responsibility was the fact that both the people and the government were close to the land; and in an agricultural society the local community was the main source of national as well as individual wealth. A final reason was the mere matter of distance: Baltimore would have been a two-day sail from Washington—had there been a Washington.

But even in those simple, golden days of local autonomy, the administration of public welfare was no idyll. As far back as 1735—a full two hundred years before public welfare was accepted as a national responsibility—Boston, for example, complained that the expense of maintaining the poor had increased from 940 to 2,000 pounds sterling in the preceding six years. And it sent a petition to the Royal Governor of Massachusetts, protesting against this

mounting expense on the grounds that the migration of needy persons from other places was burdening it with an unfair share of the current welfare load. This was a straw that showed which way later winds would blow.

As recently at 1923 the cost of relief in a group of representative cities still averaged about one-eightieth of total municipal expenditures. Fifteen years ago relief costs amounted to about fifty cents per capita, when the total municipal expenses were about forty dollars per capita. By 1936 relief was costing municipalities almost as much as the total for all municipal activities thirteen years earlier.

INCREASE IN WELFARE COSTS

In 1923 federal welfare expenditures were practically nil, and state expenditures negligible. In 1936 the total welfare bill of the entire nation was five and a half billion dollars of which the federal government contributed more than half.

According to estimates submitted to Congress during its hearings on unemployment and relief last spring, the nation spent an over-all total of some nineteen billion dollars on the major forms of public welfare activity in the five years from 1933 through 1937. About three-fourths of this came from federal funds; but even so some five billions were expended by the states and their localities.

It is generally recognized that the depression was only the most obvious of many causes for this unprecedented development. Our

past years of neglect in planning adequate safeguards against the hazards of modern industrial society have been an important factor. Another, still more important, has been the changing conception of public welfare—the abandonment of the old, punitive stigmas of "poor relief," and the acceptance of government activity in this field as an essential balance-wheel in the social and economic mechanisms of our time. To quote a spokesman of the conservatives, Mr. W. J. Cameron, who appears on the Ford "Sunday Evening Hour," "When we speak of helping people today, we do not mean a charity that maintains them in their plight, but a wisdom that lifts them out of it and strengthens them against relapse."

So regarded, public welfare is an investment, rather than a stop-gap. And it is this change which, more than anything else, makes long-range planning imperative. If the activities of the past six years could be regarded as emergency measures, bound to end sooner or later when the emergency passed, we might be content to muddle along. While no one but the supremely wise or the supremely foolish would attempt to predict the future course of public welfare costs and financing, no one can doubt that the socially constructive and national conception of public welfare which has begun to take form within the past few years is here to stay.

But in this new conception responsibility is shared rather than shifted. The increase in federal and state activity does not imply

a corresponding decrease in local obligations. Though the city no longer bears the whole financial load, the very substantial portion of the burden which it does carry represents many times its expenditures in former years. For example, the money expended for direct relief, work relief, and old-age assistance in a city about the size of Baltimore came to nearly thirty and a half million dollars in 1936, as compared to less than one million in 1923. Adding to this the other forms of welfare, that city's grand total for 1936 is estimated at around forty and a half millions. About 50 per cent of this money came from the federal government, about 10 per cent from the state. But this did not minimize the magnitude of the city's contribution. The city itself paid over 40 per cent—some sixteen million dollars—as compared to one million in 1923. Though in other cities the proportionate expense borne respectively by the federal government, the state, and the city may have differed considerably, the main lines of the picture are everywhere the same.

There are too many variables, both past and future, to attempt to measure the ultimate effect of federal and state participation upon municipal welfare financing. For one thing, a considerable share of the expenditures made by the larger units of government, as well as by the cities, in the recent past and even today, has been assumed to be on an emergency basis. Programs have expanded and contracted; policies—federal, state

and local—have changed rapidly. Meantime, provisions designed from the beginning as permanent and continuing activities—as, for instance, those embodied in the social security act—have begun to get under way. Finally, the very fact that these *are* long-range programs means that their full effects will not be felt over a considerable period of years.

EFFECTS OF LONG RANGE PROGRAM

This is particularly true of the federal old-age insurance system. While social insurance seems the most practicable method of forestalling a continuing increase in old-age dependency, as insurance it does not, by its very nature, reduce the current load. The same thing is true, but in a measurably less degree, of unemployment compensation. All but two of the states are already paying unemployment benefits—twenty of them beginning in January of this year; and in the remaining two states payments will begin by July. But unemployment insurance cannot and was never intended to provide for those of the unemployed who have been without work for some time and so have had no chance to build up benefit credits. Although public assistance, child welfare, and public health provisions of the social security act have already gone into operation, the full significance of their long-time savings to the cities and states have been obscured by short-time influences.

Were it not for the social security act, as well as other nation-wide measures, the burden of municipal relief expenditures

might have been well-nigh intolerable. Up to November 1st over \$340,000,000 had been paid to unemployed workers in the twenty-nine states that had reached this stage of full operation; at the present time benefits averaging eleven dollars a week are being paid to about one million temporarily unemployed workers. It is estimated that the amount paid to the jobless in 1938 is in the neighborhood of four hundred million dollars. Without attempting to minimize the complex problems of unemployment compensation in relation to other programs, there can be no doubt that this kind of social insurance is helping families to bridge the gap between jobs, and by so much is forestalling increases in the city's relief load.

FEDERAL HELP TO NEEDY

Though still in a developmental stage, the social security program has also made both federal and state funds available for nearly two and one half million of the needy—the aged, the blind, and families with dependent children. In many states localities also contribute to these programs, whereas in the past they usually assumed no responsibility for categorical assistance as such. But this new item in the city's public welfare accounting does not necessarily mean an added current expense; for it is probable that without federal-state public assistance, a very large share of these persons would have been thrown back as "unemployables" upon locally-supported general relief.

One long-range financial prob-

lem which affects city, as well as state and federal, public welfare planning arises out of the wide variation in the financial capacity of the states. Take old-age assistance as an example. For the country as a whole, the average monthly allowance is now nineteen dollars; with state averages ranging from more than thirty-two dollars to less than five dollars. Moreover, there is no getting around the fact that, in the parts of the country where resources are low, need is likely to be high. Yet for all that, even the poorer states now have twice as much money as they could raise alone, and by that much their provisions for old-age assistance are more adequate than they would have been without federal help.

While no entirely satisfactory method of maintaining adequate assistance on a nation-wide base has yet been worked out, the social security act has helped the states to meet a similar situation within each state's own boundaries. The requirement of state-wide operation and state participation in financing public assistance has tended to equalize the aid available throughout each state. In addition some of the states have attempted to meet the needs of their poorer communities by having no fixed state and local percentages, so that local contributions can be adjusted in line with the communities' special needs and resources. Other states have provided equalization funds from which the less able localities receive supplementary grants. So far as can be judged from the data

now available, there has been no marked tendency to reduce individual payments in cities and other communities able to make adequate provisions. Moreover, as equalization within the state raises the assistance level in its poorer communities, it tends to reduce the migration of the needy to the cities where, in the past, relief was likely to be much more generous.

Another potential financial advantage of making federal and state money available is that it tends to conserve local resources for use in strengthening and rounding out the community welfare program. Broad as is the national interest in the public welfare field, much as it has contributed to some of our most important and expensive needs, it is not all-inclusive. Many essential welfare measures continue to be supported wholly out of local funds. Yet in so far as the states and the federal government aid the community in certain aspects of its welfare program, they aid it in all. As a result cities may in future be able to make their own welfare funds go further, both in coverage and in effectiveness, than they have in the past.

Though the first and most obvious result of federal public welfare participation has been to make more money available, its effect is no less significant in administration than in financing. The new organization has far-reaching effects both on federal-state relationships and on the relationships of municipal, county, and state administrative agencies.

In so far as the locality and the state are concerned, the ties between them are now far closer than had existed in many states in the past. And on the whole, statewide organization probably makes for more economical and more effective administration. But statewide uniformity, if applied too arbitrarily, may not be an unmixed blessing for the more progressive communities within a state. While tending to raise the level of administration in rural areas and in backward communities, in some cities it might mean regression rather than progress in standards of service. There have also been cases in which the adoption of new procedures has been carried through too hastily and arbitrarily and has caused friction between well established local agencies and the state.

LOCAL APPLICATION SHOULD BE FLEXIBLE

To be effective, a national plan and a state plan should allow for considerable flexibility in adaptation to local needs. Rigidity and arbitrary overhead decisions on matters of local detail offer many and serious pitfalls. But these dangers are not inherent in co-operative governmental activity. The thing to remember is that co-operation works both ways. It demands a sharing of experience all along the line. On the one hand the local program should be strengthened by state and federal participation. On the other hand, state and federal planning should reflect the practical knowledge of how the program is meeting actual

needs and the close contact with individuals which can be gained only on the local front. The qualitative development of public welfare—as contrasted with expansion in numbers aided and in money spent—depends very largely on this three-way process of growth.

COMPETENT PERSONNEL

The administration of a public welfare program on what may be described as a "quality" basis is a difficult business. It calls for competence not only on the federal and state levels, but also in the local agencies where the day-to-day contacts with individuals are made and maintained. No matter how much we may improve our organization and machinery, the only known way of achieving competent administration is through competent personnel. Up to the present, and with some notable exceptions in our cities, the acceptance of this principle has shown a sort of inverse ratio to the size of the government unit concerned—from federal to state to local. The battle for efficient personnel and for objective merit standards is still an uphill fight in many parts of the country. But one of the most hopeful trends in this entire field is the perhaps slow but persistent drive in this direction in both state and local welfare agencies. The example of other nations, notably England, which have preceded us in public welfare organization, should encourage us to abandon the spoils system in favor of a career service in public welfare administration, not to men-

tion other government services.

Though our own experience with nation-wide public welfare planning is still so limited in time—if not in area and variety—it has come out at about the same place as the English social services. There, you will recall, the pendulum swung during the nineteenth century from the complete decentralization, inherited from the "poor laws," to what amounted to virtually complete centralization—after which it eventually reached the middle ground of local and national coöperation. We have reached the same middle ground sooner and, I believe, with less waste motion. An experienced British welfare administrator summarizes the national versus local pros and cons this way: National participation is, he says, justified not only by the hard fact that the localities need the cash, which the national government alone can make available, but also by the fact that nation-wide standards and supervision promote more economical and effective administration in all parts of the country and so tend to strengthen the hand of local government. At the same time, local participation is equally essential if the system is to maintain the flexibility necessary for adaptation to community and individual needs.

There can be no question that in this country, as in England, national participation has resulted in more adequate financing and, to a considerable extent, in more consistent and effective policies and standards. It may be questioned whether it has yet solved all the

problems upon which practical and realistic assistance to the people is contingent.

We have yet to deal with the local complexities which result from the simultaneous operation of many activities and many kinds of administration within a given community. Thus in many cities welfare services are often dispensed at one and the same time by a bewildering variety of agencies. For example, in a representative city with a population of only about 118,000, there were in active operation last year: a local agency supported solely from local funds, a local agency supported from local and state funds, a state agency supported from local and state funds, a state agency supported from state and federal funds, a local agency supported from local, state, and federal funds, and local agencies supported wholly from federal funds. Administratively, these agencies represent every type of organization from absolute local autonomy to complete federal control.

From the point of view of a worried and harassed John Doe, seeking help for his family, this hierarchy must seem only to make the confusion of his needs and problems worse confounded. If he is out of work, and has exhausted his benefit rights under unemployment compensation, his first impulse will be to go to the WPA in search of a job. He may learn that he must first be certified as in need by the Board of Public Welfare. If no jobs are available, he may receive "dependent aid" from that agency. If John Doe

has an aged parent whom he is unable to support, he will be referred to the Bureau of Old-Age Assistance in the Board of Public Welfare. If he is tuberculous he may receive treatment in a sanitarium, and meanwhile his children may be taken care of through a grant for aid to dependent children. If he is a veteran, he may receive assistance from the soldiers' relief. If he loses his sight, he may receive aid from the division for the blind. If Mrs. Doe is ill and he needs help in the management of his household affairs, the Family Welfare Society may assist him in the solution of his problems. It is a wise John Doe who knows where to turn for help in any particular situation. In his search, he may come to wonder whether the problems of the needy could not be met more successfully by fewer agencies; and he may also ponder over the maze of regulations which determine the form and amount of assistance to be granted to him or his family.

When all is said and done, this is the point toward which all our public welfare planning—short-range and long-range—must be directed, the point where John Doe and his family enter the picture. For this we are attempting to work out an effective administrative organization manned by competent personnel; for this we have enlisted all three branches of our government; for this we are striving toward efficient co-operation among all the agencies concerned; and for this we are spending billions of dollars. And,

(Continued on Page 72)

Baltimore Finds a Plan

By WILLIAM J. CASEY

Chairman, Baltimore Commission on
Governmental Efficiency and
Economy, Inc.

*Citizen's organization helps
keep Baltimore modernized
by recommending application
of up-to-date business
methods to operation of the
city's government.*

FUTURE planning of our cities must reckon with the fact that the municipal corporation is a continuing and perpetual body, designed to serve not only existing but also unborn generations, in promoting and in preserving the well-being of the people, as well as the economic life of the city.

City planning in its broadest and most effective form is inseparably linked with the management of the city. To furnish and keep projecting a scientifically designed and practical pattern for guiding the physical development and improvement of the city, is not the whole story. It must be attached to an equally sound and permanent system of managing the administration of the public business. In our larger cities municipal administration is big business. Its success must depend upon the adaptation and employment of approved methods of business administration that characterize big business in its private operations.

Baltimore has been made ready for public works planning by the

adoption some years ago of just such a procedure. This undertaking, which has often been called the Baltimore Plan, received its first translation into actual performance in 1923. The hub of the idea was that a commission be selected from the largest taxpayers, such a commission to be of qualified managerial experience; that it be given the open door to all city operations, with entire freedom for examination and survey of the methods and systems in use in the administration of public business; that the Mayor adopt the recommendations of that commission as the most practical way of introducing modern business methods into operation of the city government.

This commission organized and adopted the name of the Commission on Efficiency and Economy, giving precedence in its name to efficiency as the first essential in the administration of the public business, with economy as the second essential and inevitable result of efficiency. Directly and by groups the personnel of the commission represented approximately 25 per cent of the aggregate local taxes annually collected by the city of Baltimore on real and personal property.

There was thus inaugurated what may be now termed the first chapter of this Baltimore Plan. The achievements of this body led to the creation of a permanent organization, known as the Commission on Governmental Effi-

ciency and Economy, Inc., which has been functioning actively since 1930.

None of the old-fashioned nostrums for improving the character of government are to be found either in the work of the first commission or in the continuing work of the present body. In neither case has public office been sought or wanted, nor have so-called reform movements, muckraking or attacks upon public officials had any part in the plan and operations of either of these organizations.

There has been a philosophy running through the policies of both of these organizations that public officials were worthwhile and capable people employed in the public service, and that what they needed most was the modern methods and systems which big business has developed and refined for its own successful administration, plus opportunity for security and protection, as well as the recognition that a municipal employee is something more than a political jobholder.

COMPARISON OF COMMISSIONS

These two distinct bodies, the Commission on Efficiency and Economy and the Commission on Governmental Efficiency and Economy, Inc., separated in their activities by a gap of several years, nevertheless had an orderly relation to one another in rounding out the advantageous position now occupied by the municipal corporation of Baltimore in the administration of the public business.

The first commission was confronted with the task of an ex-

tensive reorganization of the administrative structure and methods of the city government. The present commission fortunately came upon the scene as the city was following the procession of other municipalities towards financial chaos, halted that trend, and brought about the adoption and maintenance of a sound financial policy.

There was a difference between these two commissions. The first Commission on Efficiency and Economy, which functioned from 1923 to 1927, although conceived outside of the city administration, was made official by the Mayor's appointment. There was a moderate contribution from city funds towards its expenses, applying solely, however, to the salary of the executive secretary and stenographic help, with some occasional aid in the way of services of city employees. The greatest part of its work was accomplished by a volunteer staff recruited by the commission and borrowed from private employers without cost to the city of Baltimore.

The first commission limited its activities to the administrative structure of the city government. It did not attempt to deal with public policies nor with the form of the city government in so far as the mayor and city council type of government was concerned, nor did it undertake to pass upon the departments of the city government for which private business had no parallel activities, such as education, fire, health, and police; although it made available to these departments improved methods

and systems of accounting, purchasing, and business management developed by its staff.

The reorganization program sought to define sharp lines of responsibility, to simplify and straighten direct lines of authority, and generally to consolidate or bring under central control like functions found duplicated in the forty-five city departments.

This program aimed to develop two major operating departments, one Accounting and Finance, in which would be centered all accounting and fiscal operations; the other the Department of Public Works, in which would be centered all engineering, plant operation and maintenance, utilities, etc., then scattered among some sixteen independent and uncoordinated departments, many of which were administered by citizen commissions or boards.

DEPARTMENTS CENTRALIZED

In place of the so-called checks and balances supposedly obtained through those boards, there was substituted centralized accounting; all city operations to be translated into dollars of cost, and the various controls used in private business established.

A centralized Bureau of Disbursements was created and there was installed a modern accounting procedure, providing for the encumbrance of appropriations with commitments and other liabilities as soon as incurred, with a monthly reporting to all departmental administrators of a true picture of the status of every appropriation,

whether the cash had actually been disbursed or not.

Conditions disclosed by the survey of revenue accounts and collection procedures suggested the installation of a centralized collection system, and to that end the Bureau of Receipts was created. Under the new system the city has collected more than 95 per cent of its current levy during the twelve months to which that levy applied, whereas under the old system the accomplishment was only about 80 per cent.

In place of archaic methods of paying employees, there was substituted a centralized Payroll Bureau and modern payroll practice.

These early installations were the foundation of a modern general accounting system, including cost analysis. An inventory and appraisal of all city property was made. The foundations of an actuarially sound employees' retirement system were laid.

The first commission dissolved in 1927 at the end of the term for which the mayor had been elected, leaving a number of things unfinished.

The succeeding city administration showed such a lack of interest and sympathy with the accomplishments of this commission that there arose a public demand for an independent body to take up where the old commission left off, and to carry on as a permanent organization. This demand was met by the organization of the Commission on Governmental Efficiency and Economy, Inc., under the sponsorship of the Baltimore

Association of Commerce and the Real Estate Board of Baltimore.

The organization started its work in 1930. In its set-up rigid provision was made to maintain it as a nonpartisan, impartial, fact-finding agency with a full-time staff constantly at work collecting, analyzing, and interpreting facts about the important details of city operations, comparing them with analogous operations in private business and with results obtained in other cities. It looks ahead to learn the effect of public policies, so that hidden dangers may be brought to light for study and control.

The governing body of the commission is a board of trustees of twenty-one, none of whom may hold political office. The commission is wholly supported by voluntary subscriptions from civic-minded citizens.

The new commission first undertook as its task, restoring and holding the ground gained by the first commission, completing its unfinished work, and taking up important phases of city government that were not within the scope of the former organization. Its first undertaking was a study of the debt situation.

As a result of the commission's early studies of the city's debt situation, a \$69,000,000 new debt program was reduced to \$29,500,000, and finally only \$7,500,000 of that reduced program was submitted to the voters for ratification, thus saving the equivalent of thirty-five cents on future tax rates.

A practical holiday from debt-

making was adopted by restricting the issuance of bonds already authorized to an amount less than the amount of debt annually retired by the city, thus avoiding additional increases in annual debt service costs, and making possible a \$16,000,000 net reduction in the city's net funded debt in the past five years.

FINANCIAL PLANNING

Debt studies to which the commission first turned its attention disclosed the costly absence of any comprehensive and balanced program of public improvements. For a year or two practically the entire program would be for highways, then for the next few years there would be no provision for highways, particularly if the dominant administration officials happened to be water or sewer engineers instead of highway men. Every new administration generally adopted a new direction for the expenditure of funds for public improvements, and there thus was no long range plan or goal to wisely guide utilization of such expenditures, which had been averaging about \$10,000,000 a year for fifteen years.

To correct such a situation and such a policy, the commission presented to the city a comprehensive system of city planning which took into account a planning procedure of three phases, namely, the legislative phase, the physical phase, and the financial phase. This system is now the subject of a pending ordinance designed to set up and assure city planning for Baltimore on a comprehensive,

continuing, and non-political basis.

As illustrating the need for follow-up, the present commission found that the central purchasing system installed by the original commission had been allowed to deteriorate. Starting from the ground, the present commission had to rehabilitate entirely the purchasing system and place city purchasing on an open and competitive basis under experienced supervision.

SAVINGS REPORTED

A method of analyzing the monthly reporting of the progress of city revenue collections was adopted to accompany the monthly report of expenses, thus making available for the guidance of the city administrators a complete income and expense statement of the current budget accounts and the monthly financial situation. The revenue analyses also enabled accurate estimates of collections upon which to base the annual city budgets.

Due to various economies and efficiencies, the budget appropriations for ordinary annually-recurring departmental expense items for labor, material, and supplies were \$3,200,000 less for 1938 than for 1930, the year the commission began to function. This reduction remained even after allowing certain increases since 1933 because of the improvement in the general business situation.

The adoption of permanent central registration and voting machines has already resulted in a \$180,000 decrease in costs, with greater savings in future expected. The adoption of a more precise

formula for calculating the city's annual contribution to the employees' retirement system is saving about \$160,000 a year over the former methods.

Following the commission's survey of sheet asphalt street-repair practices, current costs indicate a 40 per cent reduction.

The method advised by the commission, and followed in the city-federal PWA program, has resulted in the city not being currently committed to costs beyond the financial participation of the federal government, and has also resulted in advancing completion of construction projects started.

Reduction of inventory of materials carried on hand at the start of the depression avoided unnecessary purchases and indicated thereby a saving of about one cent on the tax rate.

Analysis and publication of damages awarded for property taken by the city for certain highway improvements led to reorganization of policy and practice, resulting in awards more in line with assessed values.

Other savings have been accomplished or increased costs avoided through management efficiencies and better controls which have followed various studies and recommendations. The results of these reduced costs are not readily translatable into dollars of savings, but the studies are none the less important in marking achievements towards governmental improvements in Baltimore.

Outstanding in this class of achievements are the installation by the city accounting forces in

1932 and 1933 of a general accounting system and cost analysis as budget controls and aids in budget-making, and the annual statement of pertinent financial data compiled and issued each year by the commission since 1930. This annual statement is in demand by financial institutions and investors throughout the country, and in the opinion of those users, the statements have contributed to the improved marketability of the city's bonds and have returned direct benefits to the city.

Other improvements include the annual city budget reviews, procedure for abating taxes on property acquired by the city, protection of cash receipts, analysis of tax delinquency, salary standardization, appointment of qualified and experienced personnel as department heads, institutional purchasing. Lately the problem of public welfare and relief has been studied.

The recital of the foregoing subjects of study has been for the purpose of illustrating the self-appointed task of this research agency in applying to government the policy of successful business in pursuing research for the purpose of developing more effective and less costly services and commodities.

In undertaking to answer in an orderly fashion the question of how to plan for tomorrow, we employ the knowledge of outstanding authorities in the field of munici-

pal government, and view the experience of the past from the vantage point of today. This would lead us first to the necessity for installing efficient and economical administrative methods.

Our second objective would be a sound financial structure for the municipal corporation, so embedded in the organic law that nothing short of a public catastrophe could upset it. These objectives would be the foundation from which to project a scientifically designed and practical pattern for guiding the physical development and improvement of the city.

Baltimore has experienced the accomplishment of the first two of these objectives. Our continuing problem is to hold the ground thus gained, and to extend and strengthen the means and methods for raising the standards of local governmental performance. That is the contribution which the Commission on Governmental Efficiency and Economy seeks to make towards sound and broader planning.

Its findings, studies, and reports are made available to public officials for their application, and employed to develop and secure an informed public opinion which, in the last analysis, is the only real safeguard for efficient and economical public administration—the foundation of planning for tomorrow.

Michigan's First Year of Civil Service

By JAMES K. POLLOCK
University of Michigan

A well thought out program, placed in capable hands, has produced vastly satisfactory results.

THE year 1937 was a notable one for civil service advocates because it resulted in so many new and significant extensions of the merit idea into areas hitherto the sole hunting ground of political spoilsman. Among the significant adoptions of civil service in 1937 was that by the state of Michigan, which after a century under the spoils system, and after a heavy battle in the legislature, enacted a thorough-going, modern personnel program which was approved by the Governor on August 5th. Despite the provision of the law which delayed the coming into effect of the act until January 1, 1938, the Governor, realizing the tremendous amount of work and planning required to institute a new personnel system, promptly appointed the first Civil Service Commission and also the first Personnel Director under the act. By September 25, 1937, the Director was on the job locating office space, selecting employees, and doing the scores of other tasks which must be done in starting a new program.

This early start was made particularly necessary by virtue of one very restrictive amendment which the legislature attached to the bill

in its passage through that body, namely, that the qualifying examination program for present employees had to be completed by July 1, 1938. Fortunately, appropriations had been provided for both fiscal years of the biennium, and due to the coöperative spirit displayed by the Budget Director and the Governor, no difficulty was encountered in having funds released for necessary services prior to the legal commencement of the act.

Thanks to the wisdom and public-mindedness of the state's chief executive, who had taken over the program formulated under the administration of his predecessor and pushed it through to a successful conclusion, an unusually high class Civil Service Commission was appointed, and one of the country's leading personnel technicians was placed in the all-important post of Personnel Director. Many have been the occasions when these excellent choices have stood out to prove the oft-repeated warning that "civil service is good or bad depending upon the persons who administer it." Michigan was exceptionally fortunate in securing the services of what has well been called an all-time, all-American Civil Service Commission, and also perhaps the only man as Director who could have carried the unprecedented load which was dumped on his shoulders.

Looking back on this first year of civil service in Michigan, we are able to appreciate the pro-

fundity of the remark made by New York's brilliant and remarkable Mayor that, "in the case of the civil service baby, the labor pains come after the birth rather than before." These "labor pains" have been serious in Michigan—as no doubt they are in all new jurisdictions—but they have been borne with fortitude because of the favorable and unfailing public support which was ready at all crucial moments to rise up and defend the state's newest and lustiest infant. If any factor, other than that of competent administration, can be pulled out of a complex situation and be given some of the credit for the success of the program, I believe most persons would agree that the informed public opinion on civil service matters which was so carefully developed during the stage when the program was being formulated, was such an important factor.

STORMS WEATHERED SUCCESS-FULLY

Again and again, in this first year when difficult and potentially dangerous parts of the program were being launched and loud opposition raised its head, strong support from all over the state came to the defense of the new system, and all of the storms have been successfully weathered to date. When the classification plan was up for adoption, when for the first time the state was to be placed under a carefully formulated pay plan, when the results of the qualifying examinations were made known—in all of these important instances, friends of civil

service rallied to the support of the system, and the new department was enabled to move on to the next part of the program.

So indispensable is this well developed and organized public support that I am prepared to say most positively and sincerely that I would not urge any unit of government anywhere to embark upon a new personnel program until public opinion has been carefully prepared for it. For even if the infant agency is able to weather the serious storms which it is bound to face in its early period, it will need all the public support it can command to keep on living, once it is established. Like every other regulatory program, civil service has to be prepared at all times to defend itself from those whom it is regulating—in this case, the politicians. And politicians are the hardiest, albeit the most important, of animals, and they have a way of refusing to be excluded from preserves in which they have formerly operated. Michigan's first year proves the necessity for advance preparation for civil service. In these days of rapidly expanding civil service programs, it is well to keep this point in mind.

In this same connection another point is worthy of mention in passing. The new Michigan agency has encountered great difficulty in securing enough properly trained technicians to do the work incumbent upon it. Although a very competent staff has been recruited—admittedly one of the best in the whole field—this was done with the greatest of dif-

ficulty and gaps in the organization still exist which it has not been possible to fill. If existing personnel agencies do not now have the staffs with which to tackle their present-day problems, where are we going to be in another year with a vast federal program on the way and with new programs being launched all over the country?

DEPARTMENT SET-UP

It should first be pointed out that the speed with which a comprehensive program was put into operation was one of the outstanding features of the first year's work. The time limits imposed by the law, together with the deficiency in highly trained personnel, necessarily limited the early operations to the basic personnel functions. The department organization which was set up greatly facilitated the completion of the first year's tremendous program. Three sections, each in charge of a principal staff member, were created: a recruiting section; a transactions section in charge of classification, compensation, and all in-service transactions; and an administrative section in charge of all routine and administrative operations including payroll auditing, certification, roster, statistics, and the usual housekeeping functions.

Fortunately, the hopes of the framers of the program regarding the position of the Director and the Commissioners have been almost completely fulfilled in practice. The line of demarcation carefully drawn in the act between the functions of the Director and the

Commission has been intelligently observed: the Commissioners, occupying unpaid positions, have not been politicians, but very prominent and distinguished citizens; and the Director, occupying a position which is relatively well paid, at least for Michigan, has been given full and complete charge of the administrative side of the job. Only when consultation or advice was necessary or when the act specifically required the collaboration of the Commission, has it been necessary to bother the Commission. Twenty-three formal meetings took place during the first year of operation, although the members of the Commission and particularly the Chairman were in constant communication with the Director. In other words, the relationships between Director and Commissioners have been almost ideal. The Director has had from the beginning the confidence of the Commissioners and they have backed him up when this was necessary, and at no time have they interfered with the administrative work of the department. The Commission will undoubtedly get more opportunities to protect the system against partisan attacks, and to promote the merit idea, thus proving the necessity for its existence.

In the second place, the examining program has been notable. Employees were not blanketed in under the act. They were required to pass qualifying examinations in order to retain their positions. This necessitated the most extensive examination program of its kind ever to be undertaken by

any civil service agency, old or new. Some 16,000 employees were examined in 1,200 different classes of employment. Twelve hundred and twenty-five, or 8.3 per cent, failed and 518, or 3.5 per cent, were demoted.

If anyone doubts the value of such an elimination program at the beginning of a new civil service program, let him come to Lansing and study the results of these qualifying examinations. He will then understand under what handicaps every other civil service jurisdiction in the country has operated until the original incompetent hold-overs have eliminated themselves by death or resignation.

ESTABLISHMENT OF LISTS

Another fact of importance is that an unusually heavy schedule of open competitive examinations had to be carried on concurrently with the qualifying examination program in order to establish lists of eligibles to meet the needs of the service in replacing some of those who failed in the qualifying tests and in filling normal vacancies. Furthermore, a vital compromise in the law required the department to collaborate with appointing authorities in preparing qualifying examinations. This procedure helped to acquaint department officials with testing techniques but it imposed a greatly increased burden of conferences on staff examiners.

The almost overwhelming task of scoring the large number of short answer tests was made possible only by the use of the answer sheet and stencil scoring technique

on a scale never before approached by any other public personnel agency. Two other interesting features were the extensive use of accumulative or "step-ladder" examinations thus enabling the examiners to test for large numbers of classes with a minimum of expense and time involved in duplicating, assembling, and scheduling, and the placing of test items on International Business Machine punch cards together with the adoption of the Dewey decimal relative index system for coding test items in all fields. This latter project when completed will provide the most accurate and versatile method of handling test items yet devised.

Finally, the fairness with which the examiners evaluated all portions of the employees' records, and their efficiency in doing it, marks the qualifying examination portion of the year's work as outstanding and highly commendable.

With reference to classification and compensation, the law vested power over these matters in the Commission. Since the only practicable way to conduct examinations was by classes, it became necessary to construct a classification plan and make an allocation of state positions before tests could be given. The distinctive feature of the Michigan classification plan is the extent to which classes have been graded on the basis of duties and responsibilities, these grades extending throughout the entire state service. For instance the position of General Clerk A—the highest clerical class—was found to be of the same dif-

ficulty and responsibility as the class of Field Investigator A. The symbol A designates the highest level of non-professional classes. Ten full grades and four half-grades were defined on the basis of relative work to the state. I am not aware that such a carefully integrated grading plan has ever before been attempted in a large service. Under this scheme it was possible to demote to lower grades persons not found qualified by the examinations for the positions which they held. The Michigan plan may also prove distinctive in the manner in which it is maintained. A program of annual audits together with constant rewriting of class specifications for each new examination has been undertaken. To date some 250 of the original class specifications have been redrafted, and broad revisions of age limits and training requirements are under investigation.

SALARY SCHEDULE ESTABLISHED

The compensation plan was established only after an exhaustive field survey of wages and salaries in other public jurisdictions and in private industry had been made. Its distinctive features are related to the schematic arrangement of classes. Its adoption resulted in temporarily increasing the size of the state payroll, and also in eliminating hundreds of cases of unfair compensation.

In the matter of personnel procedures and office management, the new Michigan Civil Service Department must be placed very

high in any list of efficient personnel agencies. In routinizing and mechanizing the clerical work of the department, the new agency has probably gone farther than any other in the field. The proportion of the department's total budget for personal services required for clerical and administrative expenses is relatively so low that a larger proportion of it can be used for the salaries of technicians. Even with the temporarily high cost involved in employing so many test checkers for the large examining program, only 58 per cent of the total budget for personal services was expended for clerical and administrative expenses. In some cases machine methods new to the field of public personnel administration and especially prepared for the use of the Michigan department, were employed. Uniformity of treatment in personnel transactions has been safeguarded by the fullest possible use of departmental manuals of procedure, standardized forms, and regular and routinized methods. The rules and regulations, which were carefully prepared and adopted, have proved very satisfactory in practice and contain a number of distinctive features which it is not possible to elaborate upon at this time.

Another of the newer features of the Michigan program which attracted attention was the provision for "the open back door." Although this provision has not been operative long enough properly to judge its value, it is possible at this time to indicate that the

new department has at least been relieved of a burden which afflicts other jurisdictions, namely, of having to devote so much time to the trial of all cases of dismissals from the service. During the year, 173 dismissals occurred, but in only four cases did the Commission, when presented with the record, feel called upon to give trials to dismissed employees, and in these four cases the dismissed employees were placed at the head of the proper eligible list. In only about half of the cases did the dismissed employees even petition the Director for an investigation or a trial. Employee organizations, however, are already urging the closing of the back door even before it has had a fair trial. Nevertheless, the first year's experience under the provision gives no grounds for complaint, and from the point of view of public reaction, it still offers a convincing reply to the oft-quoted complaint against civil service that it perpetuates too many loafers in their jobs. It is to be hoped that this good feature of the Michigan system will not be prematurely changed.

During the year a study commission was appointed to formulate a proper superannuation plan for state employees, and this plan when prepared will be presented to the next session of the legislature. Promotional examinations have been given in considerable numbers and a training program for student personnel assistants in the Civil Service Department has been operating throughout the year in coöperation with the Uni-

versity of Michigan. To date it has not been possible to develop other training programs for employees, nor to work out anything new in the fields of service ratings and transfers. The probationary period, however, is being handled with more emphasis than is usual in other jurisdictions because of the strong provisions of the act in this regard.

COST OF OPERATION

One final matter of importance should be earnestly and frankly discussed. This is the matter of financial support for personnel work. Again and again civil service supporters have pointed out the vital importance of this subject. Almost as many times, no satisfactory answer has been given to the query as to how much money a personnel agency really needs to perform its work on a modern basis. The Civil Service Study Commission in Michigan, after a complete survey of all existing personnel budgets, and after collecting the opinions of nearly all the persons of importance in the public personnel field, came to the conclusion that it would take about \$200,000 a year to successfully operate a state agency like that of the state of Michigan which at that time had about 15,000 employees. It was discovered that some experts figured out a budget on the basis of a certain percentage of the payroll, but others figured that personnel costs could be estimated on the basis of so much per employee.

The commission, finding no agreement among personnel ex-

perts, did what seemed to be reasonable, and worked out a budget proposal on the basis of the experience of existing state agencies. The legislature, however, acting on the suggestion of an able Budget Director who was advised by Public Administration Service, used the plan of so much per employee. It is interesting to point out that this basis has not been satisfactory in practice, and it has been necessary for the Civil Service Commission to secure additional funds from the "little legislature" in order to complete its extensive program. In the first full year, the sum of \$203,756 was expended for all purposes—a very modest sum indeed when one is informed about the heavy examining program, the purchase of equipment, and even the rental of office space.

AN UNSOLVED PROBLEM

This experience is cited not by way of criticism, but by way of indicating that one of the unsolved problems in the personnel field lies in the answer to this question: how much money is needed to install and operate a modern personnel system? This challenge has been thrown down at many personnel meetings in the last three years, but an answer has not yet been given, let alone a satisfactory answer.

This résumé of some of the important aspects of Michigan's first year with civil service should not omit mention of certain restrictive provisions in the law which have proved to be unfortunate, and of certain objectives which have not

yet been reached. So far as the law under which the system operates is concerned, it is now clear that the amendments to the original proposal which were made by the legislature did not improve but on the contrary weakened the original proposal. The present provision on political activity of employees has proved inadequate; too many positions were exempted from the classified service, including division heads and assistant attorney-generals; the provision for coöperation with local authorities was cut out of the law; and a restrictive provision regarding examinations was inserted. The next legislature should bring improvement in these and other respects. Regarding future objectives, it is clear that employee morale still needs considerable improvement, and that it will be a slow job to provide the necessary incentives which have been lacking during the long dry spell when the spoils system flourished unabated. Securing good applicants for state positions continues to be something of a problem, and only a start has been made in integrating educational levels with openings in the state service. In the great rush of the first year, too little attention has been given to public relations, and also to administrative relations within the state service. Definite steps must be taken along both these lines in the immediate future.

We should be most happy, however, that such an auspicious start has been made. A well thought out program, grounded in public

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Tax Relief for Real Estate

By HENRY J. AMY
*New York City Citizens' Budget
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*A discussion of the recent
trend toward tax limitation
and homestead exemption
especially as it relates to
New York State.*

THE demand on the part of owners of real property in the various states for constitutional or statutory provision for tax limitation and homestead exemption is the logical result of the crushing burden of taxation which has been and is being placed upon real estate. These two subjects have assumed increased importance in recent years as a result of the growing tendency in many states to pay heed to the demands of the proponents of such measures.

Throughout many parts of the country, real estate for years has been bearing a disproportionate share of the cost of local government. This burden has been all the more oppressive during the past eight or nine years, during which the income of the taxpayer has been reduced far more than has his tax burden.

It is easy to fix the responsibility for the disproportionate tax on real estate. The real property tax is one of the easiest taxes to collect and the hardest to evade. Since the owner of real property cannot conceal it from the assessing authorities or remove it from

the jurisdiction of the taxing authorities, there is a natural tendency on the part of public officials to finance increased local government costs by increased property taxes rather than by the imposition of new taxes, the collection of which cannot be enforced so easily.

The demand for new and expanded public services and the reluctance of public officials to resist such demands, however lacking in public merit they sometimes may be, added to the tendency of some public officials to advocate and sponsor public improvements or services without due regard either for their capital cost or the means of financing their maintenance, are among the primary causes for the ever increasing cost of local government which is bound to be reflected in increased taxes.

But these are by no means the sole causes. Much of the burden of local property taxes is due to duplication resulting from the multiplicity of overlapping units of government. Some of these units serve a useful purpose, but many of them, particularly in New York State, could be abolished without any detriment to the public service and with distinct benefit to the taxpayers. Wasteful expenditures, excessive salaries for some public employees, retention on the payroll and addition thereto of unneeded employees, too liberal civil service retirement benefits, are some of the other

causes of higher costs of local government. And it is generally the owner of real property who pays for these and other unnecessary and unwarranted public expenditures.

As long as public officials, be they state or local officials, view real estate as a source of unlimited tax revenue and refuse or fail to recognize the fact that with respect to real estate the power to tax is gradually approaching, if it has not already become, the power to destroy, just so long will state and local legislative bodies be pressed by demands which will become ever more insistent for tax relief for real estate through the medium of property tax limitation and homestead exemption.

When public officials realize that this movement is aimed not alone at giving relief to the inordinately taxed property owner but also at economy in state and local government; when those officials recognize the fact that there must be a reversal of the present trend toward constantly increased governmental costs regardless of whether the burden of that cost is borne by the owner of real property or of any other form of wealth; and when public officials act accordingly—then and only then can they look for a diminution in the spreading tendency to limit the extent to which that burden may continue to be imposed on one class of our population or in the growing demand for some form of tax relief for that most important element of the population, the home owner.

The tax situation in the State

of New York is indicative of the situation which exists, to a greater or lesser extent, in many other states.

In 1929, the peak year for collections from the normal state personal income tax, when there were no emergency sales or other taxes for unemployment relief in the City of New York and no state motor fuel taxes or liquor taxes, the total of all state and local taxes was \$1,053,236,547. Of this sum real property taxes accounted for 70 per cent, or \$740,232,836.

INCREASE IN TAXATION

In 1936 the total of all state and local taxes, exclusive of temporary emergency relief taxes in the City of New York, exclusive of state motor fuel taxes and exclusive of state liquor taxes, but including a substantially increased normal personal income tax as well as an emergency income tax, was \$1,041,572,149, of which \$754,914,528, or 72 per cent, was collected in real property taxes. Of that total the personal income tax collections amounted to \$89,581,049 or about 9 per cent. The total of all taxes collected for motor vehicles and motor fuel was \$105,950,261, or about 8½ per cent of the gross collections.

During the same period the total assessed valuation of real estate in the State of New York declined from over twenty-eight billion dollars in 1929 to twenty-five and a half billion dollars in 1936. Thus it appears that, although the assessed valuations of real estate in 1929 were 10 per

cent higher than in 1936, the taxes paid by real estate were fourteen million dollars more in 1936 than in 1929 and the percentage of the total tax load which real estate bore was 2 per cent greater in 1936 than in 1929.

DEMANDS FOR RELIEF

This is a condition which real estate owners, and particularly home-owners, cannot be expected to accept and it is not unreasonable that there should be a powerful demand on the part of home-owners, who are among those hardest hit by the recent depression, for some relief from their present tax burden and assurance of protection from further increases in that burden in the future.

The form of relief which has been approved in some states and is being advocated in others is of two kinds, general real estate tax limitation and partial tax exemption for home-owners, generally referred to as homestead exemption.

There are three schools of thought on tax limitation. The first embraces the owners, both large and small, of real property which for years has been over-assessed or overtaxed or both, and who have with the utmost difficulty and frugality been able to pay their taxes and meet their mortgage requirements during the lean years and who visualize the ultimate loss of their investments if tax relief is not forthcoming. These people advocate, and not without some justification, the

most restrictive limitations they can obtain.

The second group embraces public officials, civil service employees, with particular reference to teachers, minority groups who do not directly pay real estate taxes but who benefit individually and collectively from public largesse, all of whom realize only too well that the power to spend is governed by the power to tax and who object to any limitation, however liberal it may be, upon the power to spend. In this group also may be included some investors in public securities who fear for the safety of their investments if there is any limitation upon the power to levy taxes.

The third school of thought embraces a much smaller group than either of the two extremes. It is to the doctrine of this third school that I subscribe and I do this not alone as executive director of an organization dedicated to economy in local government in New York City, but also as an individual property owner. I believe that owners of real property are entitled, through the medium of tax limitation, to tax relief and protection against future unwarranted taxation. But I believe that such a limitation must be imposed with due regard for the public welfare and equally due regard for the rights of investors in public securities. In other words, I favor a middle ground which probably meets with little favor among either of the other two groups.

In the first place, I am unalterably opposed to any constitutional or statutory limitation which re-

stricts the power to levy taxes to pay the interest on and principal of long term debt. I believe the proper way to limit the amount of taxes which may be imposed to service the permanent debt is to limit the power to contract indebtedness. To such a limitation I fully subscribe. Most of the tax limitation measures in effect today, exclusive of New York State, are overall, inclusive of taxes for debt service.

Let me distinguish between an overall and an overlapping tax limitation. I favor an overlapping limitation, one that is inclusive of the taxes levied by overlapping units of government. In New York State only the City of New York, where there are no overlapping taxing units, enjoys the benefit of an overlapping 2 per cent tax limitation. Under the recently amended state constitution, after January 1, 1944, all cities and villages will be under the 2 per cent limitation, but nowhere except in New York City will that limitation be an overlapping one. Attempts to write an overlapping tax limitation into the new constitution were unsuccessful.

It is argued that an overlapping limitation cannot be made workable. I agree that it cannot be applied to an individual parcel of property, but it can and should be applied to the property of any city, town, or village as a whole. The taxes of special improvement districts present a problem, but I would favor excluding those taxes from the limitation and advocate constitutional restriction upon the creation of any new special im-

provement districts. The new constitution in New York is a step in this direction, but it does not go far enough.

LIMITATION MUST BE MODERATE

A tax limitation that is too drastic will, in my judgment, defeat its own purpose. To proceed on the theory that real estate tax limitation is to be merely a medium for transferring a part of the existing tax load from real estate to some other form of wealth is, I believe, a mistake. Such a course not only invites but may compel the imposition of new taxes which, though not paid by the owners of real estate as such, nevertheless are all too often reflected in their total tax payments. It is my belief that a properly conceived limitation is one which is based upon a reasonable conception of the actual needs of local government, as well as the ability of real estate to pay taxes without hardship, but which, though sometimes compelling reduction in governmental expenditures, is not so drastic as to preclude the possibility of those reductions being effected through economies.

Tax limitation should be considered as a means toward economy in government as well as a medium for relief for property owners. The fact that most tax limitation measures in effect today were not so conceived accounts for the criticism that has been leveled against them. But I cannot subscribe to the often expressed theory that, because a 1 per cent overall tax limitation in Ohio may have played havoc with some

essential public services, no tax limitation is feasible or practicable in any other state. This claim of the rabid opponents of tax limitation is about as sound as a contention that, because I cannot wear a size eight shoe, no one can wear any shoe.

TAX LIMITATION IN NEW YORK

New York State has had constitutional tax limitation for fifty-four years. But up to the present time it has applied to only six counties outside of the City of New York and only seven cities of the state. It has not worked any hardship on any of the seven cities. As a matter of fact, not until 1938 has New York City reached its constitutional limit. But every taxpayer in the city is grateful for the limitation at the present time.

Were it not for the limitation we would have had higher taxes in 1938. And it is a matter of common knowledge that only the constitution stands in the way of higher taxes in 1939 aggregating almost twenty-eight million dollars. The state constitutional tax limitation forced economy in government in 1938 and it will force it again in 1939. There is nothing like a good dose of compulsion for uneconomical government.

When New York's constitutional convention was considering extending the 2 per cent tax limitation to all cities and villages, a survey was made of the probable effect upon the cities of the state. Data furnished by the mayors of all of the cities disclosed that not more than nineteen cities would

even be compelled to effect economies to get along within the limited taxing power and not a single vote was registered against the amendment in the convention. The only valid objection to the amendment has come from taxpayers who rightly feel that it is not restrictive enough and object to its not being overlapping.

I favor a constitutional rather than a statutory limitation for the same reason that its opponents oppose it. A statutory limitation is far too easily altered. I advocate, first, a reasonable tax limitation and second, that it be written into the constitution. But I do not advocate the overall type of limitation which applies in practically all other states which have such measures.

The new debt and tax limitation provisions of the recently adopted New York State constitution, I believe, are indications of a definite realization in that state that the owners of real property must have protection against unwarranted taxes. And it should be pointed out that the article of the constitution which covers these provisions was approved in spite of the fact that it was grouped with a host of other amendments, some of which were considered by thousands of voters as more detrimental to property owners than that article is beneficial. Here are a few of the more important provisions to be found in this new article on local finances.

As previously stated, the present 2 per cent tax limitation, formerly applicable only in cities of 100,000 population or more, is extended

five years hence to apply to all cities and villages. In order to eliminate opposition from educational groups in the few cities which may be adversely affected, the legislature is given the right to authorize exclusion from the tax limit of all or any part of the cost of education in any city or village not formerly governed by the limitation.

DEBT LIMITATION

Rigid restrictions are imposed upon the contracting of debt and the issuance and refunding of bonds by all municipalities, which will have the effect of restricting the amount of taxes which may be levied for debt service. Debt service requirements are made a first lien upon a municipality's revenues. Provisions for exemption from the debt limitation of indebtedness contracted for revenue-producing purposes permit such exemptions on an annual basis only so long as the revenues are adequate to cover the fixed charges and maintenance costs. This in itself is a measure of tax limitation. Restrictions are placed upon the creation of new improvement districts and the powers of such districts to contract indebtedness.

The tax limitation as well as the debt limitation is based upon the five-year average of the current year's and the four preceding years' assessed valuations, instead of upon the current year's valuation as formerly. This will make more uniform the annual taxing power of municipalities and prevent abnormal increases or de-

creases in the permissible tax levy. It should serve to discourage increases in assessed valuations merely for the purpose of increasing the taxing power.

Perhaps the most important provision is that which deals directly with the limitation on taxes. Formerly there was some difference of opinion as to whether the 2 per cent limitation was exclusive of the taxes for all debt service or merely for that of the permanent debt. In practice it has been construed as exclusive only of the latter. The amendment is so worded as to leave no room for doubt that the 2 per cent limitation is inclusive of the taxes required to service the temporary debt, and at the same time it gives the investor in municipal bonds the assurance that the municipality has unlimited taxing power for the principal of and interest on all indebtedness. This is accomplished by limiting the taxes which may be levied for operating expenses to an amount equal to 2 per cent of the assessed valuations less the taxes actually levied for debt service on the temporary debt.

Except with respect to taxes required for debt service on existing indebtedness, the legislature is given the right to further restrict the power to levy taxes on real estate. Doubtless there will be many attempts made in the future to prevail upon the legislature to exercise that power. In many respects the tax limitation provisions in the New York State

constitution might well serve as a pattern for other states.

The second form of real estate tax relief, partial exemption from property taxes of owner-occupied homes commonly referred to as homestead exemption, as such is relatively new, but the demand for it is spreading. New York State for years has authorized a sort of homestead exemption for war veterans by allowing exemption from certain taxes for homes purchased with federal insurance or compensation payments and federal and state bonus payments, up to \$5,000 of assessed valuation. Connecticut allows an exemption of \$1,000 to all war veterans. Other states allow different exemptions to war veterans. But these exemptions are based upon the theory of compensation for services rendered the state and nation.

HOMESTEAD EXEMPTION

The theory of general homestead exemption is different. I am inclined to the belief that its proponents advocate it for the reason that, having a more popular appeal than general tax limitation, it is likely to strike a more responsive chord with both legislators and the voters and stands a better chance of success in bringing tax relief to the home-owner. It is justified on the ground that the home-owners constitute the backbone of a municipality and, as such, should be encouraged to the fullest extent compatible with justice to other taxpayers and are entitled

to a subsidy in the form of reduced taxation.

There is much to be said on both sides of this question. And after all that is to be said has been said, it is doubtful that the bulk of the arguments either for or against it are sound.

It is argued that partial exemption for home-owners compels a transfer of a part of the tax burden to the owners of other classes of property and that the result is to discourage the development of property for other purposes. But is that true? Is it not a fact that, if the individual exemption is so substantial as to bulk large, it will encourage the building of additional homes, the owners of which will assume the tax burden transferred from existing owners? And is it not also a fact that, if the exemption is so small as not to encourage the building of new homes, the taxes lost may be offset by economies, or the tax burden transferred to other classes of property will be correspondingly light?

On the other hand, proponents of homestead exemption argue that it provides tax relief for those most entitled to it, namely, the small home-owners who are usually persons with modest income. But is this altogether true? An exemption which applies alike to all owner-occupied homes reduces the tax burden of the well-to-do to the same extent as that of the less affluent, but not in the same ratio. If the shift of the tax burden from the well-to-do attains large proportions and necessitates an increase in the

assessed valuations to offset the tax loss, the increase in valuation of the small home may conceivably more than wipe out the saving which would have accrued from the exemption had the assessed valuation remained unchanged.

The effect of a partial exemption on a new home is quite different from the effect of a similar exemption on an existing home. Whereas the latter reduces the available tax revenues, the former increases them. Whether a new home that costs \$10,000 is taxed on a valuation of \$8,000 or \$7,000, the result is a reduction in the tax burden for existing properties. When enough new homes are built to require additional public services, the added taxes, with or without an exemption, should be sufficient to meet the added cost.

Some opponents of homestead exemption claim that the tax saving from partial exemption is rarely a ruling factor in the determination of whether to own or rent a home. But they ignore the fact that frequently the exemption results in the erection of a correspondingly more costly home than would be built if no exemption were granted. In such cases the municipality does not suffer the loss of a dollar in taxes and the community as well as the home-owner benefits from the larger and more costly home.

With homestead exemption, as with tax limitation, the problem of substitute taxation and economy of government must be met. If

the reduction in tax revenues can be offset by economies, the home-owner will benefit and the municipality will not suffer. If the tax loss cannot be met by economies, the loss of revenues, the shift of the tax burden or the imposition of new taxes may result to the disadvantage of the home-owner and the municipality.

EDITOR'S NOTE.—Address delivered before Forty-fourth National Conference on Government of the National Municipal League, Baltimore, Maryland, December 2, 1938.

MICHIGAN'S FIRST YEAR OF CIVIL SERVICE

(Continued from Page 35)

opinion, not too badly manhandled in the legislature, and placed in very capable hands for administration, has produced results which should cheer the supporters of civil service at the same time that it should inform them of the troubles to be faced in any new civil service system. Those administering the system are only too aware of many of its technical shortcomings. These may fairly be attributed almost without exception to the great pressure under which the new system had to be launched. But as one surveys the work of the first year, he will find it almost impossible to account for all of the work which has been accomplished. An incredible amount of work has been done, a great deal of it pioneering work, some of it following old patterns, but all of it utterly above reproach in a partisan political sense, and remarkably high in its general

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Extension of Old-Age Insurance

By ZILPHA C. FRANKLIN
Social Security Board

Advisory Council on Social Security, representing employers, employees, and the general public, makes comprehensive report.

WHEN President Roosevelt signed the social security act in August 1935, he termed it the "cornerstone in a structure which is being built, but is by no means complete." A significant step toward the further development of the social security structure was taken on December 19, 1938, when the Advisory Council on Social Security presented its recommendations for amending the act.

Interest in the continuing improvement of the program is not confined to the President and the Advisory Council—or to the old-age insurance program, with which alone the Council was concerned. The act itself places upon the Social Security Board the duty of studying the entire field of social security legislation. The Board regards this as one of its most important responsibilities, and on the basis of studies carried on during the past three years, it is preparing a report dealing with the other programs as well as with old-age insurance. It expects to submit its report to Congress in the near future.

It is, of course, upon Congress that the major responsibility for

the development of social legislation lies. And, as a matter of fact, it was Congressional recognition of this responsibility which led to the formation of the present Advisory Council.

As the result of a hearing before the Senate Committee on Finance in February 1937, it was agreed that its chairman would appoint a special committee to coöperate with the Social Security Board in studying the advisability of revising the old-age insurance provisions of the act. It was also decided that an Advisory Council on Social Security to assist in this study would be appointed jointly by this special committee and the Social Security Board.

The Council was accordingly formed in May 1937—its membership consisting of twenty-five outstanding representatives of the three groups concerned—employers, employees, and the general public. This joint activity, on the part of a Congressional committee, a federal administrative agency, and a group of able and informed citizens, is a noteworthy example of democratic coöperation in government.

The Council's report, as submitted to the Special Senate Committee and the Social Security Board, represents principles upon which its members are agreed as a result of their studies and discussions during the past year and a half. Throughout its deliberations the council was guided, according to the chairman of the

council, J. Douglas Brown of Princeton University, by two basic considerations—security for the family unit and adherence to the insurance principle as the constructive method of promoting security in a democratic society.

Though the report deals with social insurance objectives rather than detailed plans or methods, it offers twenty-four specific proposals as to (1) benefits, including benefits for the families of insured workers; (2) extension of coverage; and (3) financing. Its major recommendations are summarized below:

Monthly benefits to be paid earlier and increased in the earlier years of the program.

Insured workers reaching retirement age in the earlier years of the system would benefit in two ways under the council's recommendations. Monthly benefits would become payable in 1940, instead of 1942 as now provided, and the average monthly retirement benefits payable in the early years would be increased.

REASONS FOR ADVANCEMENT

In commenting on the first of these proposals the council's report states in part: "It is believed that such an advancement of the date of beginning benefits is not only financially and administratively feasible, but of marked social advantage in enhancing public understanding of the method of contributory social insurance. Where existing needs can be met on an insurance basis, there seems little justification for unnecessary delay."

With reference to increasing the amount of monthly benefits in the earlier years of the program, the council's report continues: "Since it is the purpose of old-age insurance to prevent dependency in old age, the benefits payable under the program should, as soon as possible, be sufficient in amount to afford the aged recipient at least a minimum subsistence income Only by relieving a large proportion of the beneficiaries under the insurance system from the necessity of resorting to old-age assistance to supplement their benefits, will the social advantages of old-age insurance be realized."

The report also repeats an earlier recommendation made by the council, to remove the "stop-date" at sixty-five and thus to permit an individual to qualify for monthly benefits or to obtain a larger monthly benefit because of employment after age sixty-five.

Benefits for families of insured workers.

Three of the council's proposals are designed to provide additional protection for families of annuitants:

1. Provision for a supplementary allowance to be paid on behalf of an annuitant's wife, when she reaches age sixty-five, equivalent to 50 per cent of the husband's own benefit.

2. Provision for an annuity to be paid widows at age sixty-five, which would bear a reasonable relationship to what the worker would have received had he lived.

3. Provision for an orphan's benefit to each dependent child of

a currently insured individual upon the latter's death prior to age sixty-five; and a benefit to the widow of a currently insured individual, provided she has in her care one or more dependent children of the deceased husband.

In explaining these proposals the report states in part: "The inadequacy of the benefits payable during the early years of the old-age insurance program is more marked where the benefits must support not only the annuitant himself but also his wife. In 1930, 63.8 per cent of men aged sixty-five and over were married. Payment of supplementary allowances to annuitants who have wives over sixty-five will increase the average benefit in such a manner as to meet the greatest social need with the minimum increase in cost.

WIDOWS OF WORKERS SHOULD BE COVERED

"Women as a rule live longer than men. Wives are often younger than their husbands. Consequently, the probabilities are that a woman will outlive her husband. Old-age insurance benefits for the husband, supplemented during his life by an allowance payable on behalf of his wife, fall considerably short, therefore, of providing adequate old-age security The council believes that the old-age insurance program should include provision for old-age annuities for the widows of all covered workers.

"The council believes that a program of survivors' insurance, intended primarily for the protec-

tion of the dependent orphans of deceased wage earners, is of as much importance to the community as an old-age insurance program. While public assistance is now being provided to a large number of dependent children in this country on a needs-test basis the arguments for substituting benefits as a matter of right in the case of children are even more convincing than in the case of aged persons. A democratic society has an immeasurable stake in avoiding the growth of a habit of dependency among its youth. The method of survivors' insurance not only sustains the concept that a child is supported through the efforts of the parent, but affords a vital sense of security to the family unit."

In connection with the proposed upward revision of the benefit schedule already outlined, the council states that it does not deem it advisable to provide for an eventual annual cost of these insurance benefits in relation to covered payroll, from whatever source financed, beyond the eventual annual disbursements under the old-age insurance provisions of the social security act as now in effect. The council proposes to meet the difference through reduction of "benefits payable to individuals as single annuitants after the plan has been in operation a number of years," unless increase in the national income in future years should make this unnecessary; and through limitation of death payments, for example, to three months' average wages, not to ex-

ceed \$200, and payable in all cases where the insured individual is eligible.

Inclusion of additional types of employment.

In its recommendations for extending coverage of the old-age insurance program, the council repeated its earlier proposal that seamen and bank employees be included. The report also proposes inclusion of employees of private religious, charitable, and educational institutions operated on a non-profit basis. No special administrative difficulties were found to exist in bringing in these groups.

FARM AND DOMESTIC EMPLOYEES

Noting that the chief reason for not including farm employees and domestic employees under the existing legislation was the administrative difficulties foreseen with respect to wage reporting and tax collections, the council expresses the opinion that inclusion of these workers is socially desirable and should take effect, if administratively possible, by January 1, 1940.

In this connection the report states: "Farm and domestic employees are, in general, among those wage earners most in need of protection against dependent old age and premature death. Recent studies indicate that the additional cost of extending the coverage of the system to these classes of workers will be considerably less than originally estimated, since a large number of such workers are already coming under the system through employment in covered occupations

on a seasonal part-time basis. Intermittent coverage of this character is not only unsatisfactory in the benefits afforded but is a factor of uncertainty in financing the program. These groups could probably be covered by means of some form of stamp-book system applied to a limited number of broad wage classifications."

Holding that the old-age insurance program should be extended as soon as feasible to still other groups of workers, the council specifically recommends that studies should be made of the administrative, legal, and financial problems which would be involved in the coverage of governmental employees and self-employed persons. Though extension of old-age insurance to the self-employed is not recommended at this time because of the administrative problems involved, the council states that it believes inclusion of this group is socially desirable and would "also be a marked advantage in planning the financial program of the system."

FINANCING THE PROGRAM

In introducing its recommendations relative to financing, the council stated its conviction that this problem must be approached as part of the general fiscal problem of the government in providing for a continuing social service mechanism. Recognizing that its recommendations regarding benefits must be considered in their financial setting, it states that it has "sought to attack the present problem of continuing old-age and survivors' protection, doing the

most possible to solve what can be solved now, avoiding, however, impossible or unreasonable commitments for future generations."

The report also points out that "much of the present controversy in regard to the financing of the old-age insurance program has been concerned with long-run future policy. Experience developing since the initiation of the program and further studies of probable future trends have already shed much new light on the problem. The revision of the structure of benefits along the lines here recommended will aid materially in resolving the problem."

TECHNICAL DEVELOPMENTS IN FINANCING

The council heads its list of recommendations on finance with a proposal that the federal government participate directly in meeting the costs of the program, and states that the principle of distributing the eventual cost by means of approximately equal contributions by employers, employees, and the government, should be definitely set forth in the law when tax provisions are amended.

In commenting on federal financial participation, the council continues: "Dependent old age has become a national problem. A steadily rising proportion of aged, technological change, mobility, and urban life have combined to create a condition which cannot be met effectively by state governments alone. The council has indicated its conviction of the

importance of an adequate contributory insurance program in the prevention of the growth of dependency in a democratic society. Since the nation as a whole will materially and socially benefit by such a program, it is highly appropriate that the federal government should participate in the financing of the system. With the broadening of the scope of the protection afforded, governmental participation in meeting the costs of the program is all the more justified since the existing costs of relief and old-age assistance will be materially affected."

The council is also of the opinion that a reasonable contingency fund should be . . . maintained to insure the ready payment of benefits and avoid abrupt changes in tax and contribution rates, but that it is not necessary to maintain a full invested reserve, such as is required in private insurance, *provided* definite provision is made for governmental support of the system.

In this connection the council states, however, that "sound presentation of the government's financial position requires full recognition of the obligations implied in the entire old-age security program; and Treasury reports should annually estimate the load of future benefits and the probable product of the associated tax program."

A further recommendation proposes that tax receipts under title VIII of the act, less the cost of collection, should be automatically credited to the old-age insurance fund through perman-

ent appropriation. Though it notes that legal separation of taxation and benefits was "deemed necessary for constitutional reasons" at the time the act was drafted, the council believes such legal separation is no longer necessary in the light of subsequent court decisions.

The old-age insurance fund, the council also suggests, should specifically be made a trust fund under the control of designated trustees in accordance with appropriate legal provisions. The fund should, however, continue to be invested in securities of the federal government, as at present.

Questions relating to tax rates were also discussed, but the council felt that consideration of change should be postponed until after 1940, when the increase from 1 to 1½ per cent each on employer and employee goes into effect, in order to permit the accumulation of more experience and information. By the close of 1941—with five years of experience in tax collections and two of benefit payments (if the act is so amended)—the entire program of payroll taxes and government contributions should be restudied.

In recommending technical changes in the method of handling contributions, the council records its "unanimous conclusion that the provisions of the existing law have been strictly respected by Congress and the Treasury." It further emphasizes this opinion by appending to its report a statement originally issued on April

29, 1938: ". . . The members of the Advisory Council are in agreement that the fulfillment of the promises made to the wage-earners included in the old-age insurance system depends upon, more than anything else, the financial integrity of the government. The members of the council, regardless of differing views on other aspects of the financing of old-age insurance, are of the opinion that the present provisions regarding the investment of the moneys in the old-age reserve account do not involve any misuse of these moneys or endanger the safety of these funds."

MICHIGAN'S FIRST YEAR OF CIVIL SERVICE

(Continued from Page 43)

quality. The experience of Michigan shows what can be done when competent personnel technicians are given a free hand and reasonable resources, and when these devoted public servants throw away their time clocks and think only of the important tasks confronting them. Surely the quotation one time used by Lord Asquith applies to the Michigan Civil Service Department, both employees and Commissioners:

Give all thou canst:
High Heaven rejects the lore
Of nicely calculated less or
more!

EDITOR'S NOTE—Address delivered before forty-fourth annual National Conference on Government of the National Municipal League, Baltimore, Maryland, December 1, 1938.

Pan American Congress of Municipalities

By ROWLAND EGGER
University of Virginia

THE First Pan American Congress of Municipalities, which met in Havana from November 14th to 19th last, brought together for the first time in the history of the Americas representatives of cities and towns, colleges and universities, technical organizations in the field of municipal affairs, and private citizens, for the discussion of problems of municipal life as they exist throughout this hemisphere. The congress attracted nearly four hundred official delegates, of which the delegation from the United States of North America constituted the largest national group outside of Cuba. Thirty-six "gringoes" conferred, dined, and unswervingly bent their elbows in the name of the Stars and Stripes. This number does not include the Honorable Secretary of the Interior, Mr. Harold L. Ickes, nor the Mayor of New York, Honorable Fiorello H. LaGuardia; these gentlemen were, however, in a very real sense the *primera ballerinas* of the entire congress, and perhaps for this reason should not be arrogated to the North American delegation.

The Congress of Municipalities was authorized by the Pan American Congress of 1930, and was originally scheduled for 1932. Untoward economic conditions in Cuba and abroad, however, necessitated its postponement to 1938. The tragic death of Ruy de Lugo-Viña, who had been one of the prime movers of the proposed congress, in an aeroplane crash in Colombia early last year necessitated a further postponement from April, for which the gathering was originally scheduled, to November. The delays, while vexatious, appear to have worked to the benefit of the final result. Experienced international conference-goers among the delegation *Norteamericano*, who know better than to

make their judgments in the torrid "internationalist" fervor of ceremonial sessions and official banquets, pronounced the Congress in the bright and relentless sunlight of the morning after as "successful beyond all reasonable expectation."

THE PLENARY SESSIONS

While plenary sessions of international conferences are, by definition, "canned" meetings, several of the grand conclaves of the Havana congress got out of character and generated a considerable amount of very real interest and discussion. One of the most significant meetings of a plenary character was that called at the instance of Mayor Daniel W. Hoan of Milwaukee, who wanted to get the city officials themselves to come together and talk about intermunicipal coöperation. It was clearly evident from the expressions of opinion at this meeting that municipal officials recognize the need for effective collaboration among municipalities at both national and international levels; that administration is increasingly gaining recognition as an art and science with established techniques and approved methods; and that there is something very substantial and real in the continental outlook common to all the republics of the Americas. The frequently overlooked fact seems to be that Argentinians, Peruvians, Chileans, and Mexicans are not expatriate Spaniards, nor are Brazilians expatriate Portuguese; rather, as one *Norteamericano* wonderingly remarked, "they are just a lot of Americans who speak Spanish."

Mr. Ickes' speech on the program of the Public Works Administration constituted another highlight of the plenary sessions. While the entertainment value of an address largely taken up with statistical analyses of PWA projects by types, cost, man-hours of labor utilized, etc., with a discussion of some of the administrative and fiscal control problems of the PWA, and with an

evaluation of PWA as a factor in economic recovery and stability, might be considered in some quarters to be rather negligible, the rapt attention which was given to the Secretary of the Interior bespoke the deep community of interest which public officials throughout the Americas have in the general problem of public works and unemployment relief.

Frank Bane, speaking on the social security program in the United States of North America, was likewise received with great interest. The coöperative program by which our governments, federal, state, and local, have gone into partnership for the financing and administration of a broad-scale system of social assistance and insurance is one which has challenged the interest and admiration of all the countries of the Americas. Fortunately both for the delegates from the United States and from other countries, Mr. Bane participated throughout the congress in the round-table dealing with problems of public assistance and social security, so that a full discussion of public welfare policy, finance, and administration was possible.

While Mayor LaGuardia did not speak at a plenary session, his remarks at the final banquet given by the Mayor of Havana made explicit a note that was unmistakably present in almost every public address throughout the congress—a determination on the part of those qualified to speak for the urban-dwellers of the Americas that the blessings of liberty shall be preserved in this hemisphere.

THE ROUND TABLES

Significant as the plenary sessions undoubtedly were, the substantial work of the congress was done in the five round tables into which it resolved itself for the consideration of the sixty-odd reports on thirty-two specified topics which had been received, translated, and published by the secretariat prior to the opening of the sessions.

The round table on general topics and

intermunicipal coöperation, which was headed by the dean of American committee chairmen, Louis Brownlow, was responsible not only for the generation of a profound interest in the possibilities of coöperation among municipalities at the state and national levels, which seems destined to lead to the organization of several lusty associations of municipalities in the countries of Latin America, but also for drawing up a carefully considered plan for exploring the possibilities of further intermunicipal collaboration at the continental level, including the holding of a second Pan American Congress of Municipalities. A continuing committee was authorized to be named by the Mayor of Havana for carrying on these interim explorations, which was instructed to arrange for the holding of a second congress in not less than two nor more than four years from the date of the first.

The round table on municipal administrative management and organization attracted a large and extremely interested following. Much curiosity was exhibited concerning the city manager plan of municipal government in the United States, the virtues of which were ably expounded by the secretary of the International City Managers' Association in person. Other topics receiving treatment in this round table were: the composition and powers of the municipal legislature and executive; central-local government relations; departmental organization; assessments, revenues, and fiscal planning and control; and personnel administration.

The section dealing with public utilities and public works was particularly fortunate in having Dr. William E. Mosher among its members. Perhaps the most significant finding of this group, as indicated in Dr. Mosher's report to the general session of the congress, was that inter-American amity is as much compromised by the attitude of North American utility companies operating in Latin America as

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it is advanced by the good neighbor policy in Washington.

The round table on transportation problems found its major interest in subways and municipal airports, and the United States was ably represented in these discussions by Professor Lindsay Rogers of Columbia University and Lieutenant Richard Aldworth, manager of the Newark airport. Also discussed in this section were influence of modern transportation on suburban development; problems of public surface transport; and the regulation of privately owned vehicles.

The section on public safety and social problems, which considered also reports relating to housing and planning, was the most overworked round table of the congress. Originally scheduled for a moderate and equitable part of the work of the congress, special and supplementary reports filed by various municipalities and specialists raised the number of contributions to be considered by this commission to more than thirty, or almost half of the total reports received. The major attention of the round table was devoted to planning and zoning, architectural control, and public welfare administration. Walter Blucher of the American Association of Planning Officials, Donald Stone of Public Administration Service, William Hodson of New York City's welfare department, and Frank Bane of the Council of State Governments, were among the discussion leaders from the United States.

The findings of the several round tables have been embodied in the final act of the congress, copies of which will shortly be available for distribution in English. This document probably will be distributed in the United States by Public Administration Clearing House, 1313 East 60th Street, Chicago.

L'ENVOI

Havana is too completely a part of the American scene to require comment as one of the most beautiful and interesting cities of the Americas. But the magnificent hos-

pitality and excellent administration which the congress received at the hands of the city of Havana and the Republic of Cuba require comment. As president of the congress, the efforts of Dr. Antonio Beruff Mendieta, Mayor of Havana, cannot be too highly praised. Dr. Gustavo Gutiérrez, member of the House of Representatives of the Republic and Secretary-General of the Congress, bore the brunt of the work in the actual administration of the congress' proceedings, and its success is in no small part due to his skill, diplomatic ability, and untiring effort. Mr. José L. Franco and Dr. Gay-Calbó, assistant secretaries, contributed splendidly to the preparations for the congress. The large participation of delegates from the United States was primarily due to the efforts of Louis Brownlow and Clifford Ham, chairman and secretary, respectively, of the American Committee for the International Union of Local Authorities, which sponsored American participation. Mention should likewise be made of the excellent work of John J. Kennedy, who served as liaison secretary in Havana in behalf of the American committee for several months prior to the congress.

No American who makes an honest attempt to understand significant international political movements, or who is genuinely interested in the development of the art and science of public administration, could fail to be impressed by the profound community of political and technical interest and solidarity which this gathering clearly evidenced. National policy cannot, of course, of itself create bonds of friendship and coöperation among municipalities and municipal officials. But when national policy and community of interest coincide, the possibilities are almost boundless. The opportunity which this congress symbolizes for the mutual interchange of experiences, for intermunicipal collaboration among the cities of the Americas in the development of the science

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Shall Research Bureaus Publicize?

Voters Don't Vote in Flint Boston Bureau Scans Metropolis Cleveland Libraries Mushroom Headlines Hail Herbert

LIKE a crowd of women at a department store bargain counter, propaganda agencies and pressure groups and commercial interests claw at one another, push and haul, to get their hands on the "bargain," John Q. Public. And there are some who hold that research bureaus may find themselves in the position of the lady-like little person whose quiet manners not only prevent her from getting within ten feet of the counter but who also gets her hat knocked off in the process.

Whether the research bureaus can make themselves most effective by retaining their mild manners and letting others take the credit for their work, or whether they should jostle with the rest of the crowd for public attention has long been the subject of controversy. The latest expression on the publicity side of the matter comes from the coördinator of the Organizing Committee of the NEW YORK STATE BUREAU OF GOVERNMENTAL RESEARCH, and former director of the SCHENECTADY BUREAU, Abbott Pulliam. He sends out a paper on *Publicity Technique for Citizen Groups* which aims to disembarass the citizens groups of their "manners." A survey of the publicity methods of fifty-one citizen, taxpayer, and research groups leads him to the conclusion that they are ignoring most of the modern ways of getting and holding the attention of public servants, prospective financial angels, and the public itself. All three groups, he holds, are vital to the success of the research bureau.

Mr. Pulliam suggests the formation of a joint research group committee to consider use of newspapers, radio, bulletins,

movies, pictures, and matters of form, content, and frequency.

That his suggestions may merit consideration is hinted by an analysis of *The Participation of Flint Citizens in Elections*, issued by the FLINT INSTITUTE OF RESEARCH AND PLANNING. Max P. Heavenrich, Jr., found, on the basis of votes cast in elections during the years 1932-1938, that "only one-third of the eligible citizens participate in elections. Since a simple majority of those participating is usually sufficient to decide issues and to elect officials, approximately one-sixth of the citizens eligible to determine decisions of government are able, by active voting, to outweigh the political opinions of the other five-sixths. This unusual influence arises without any particular effort on the part of those who possess it. It is not peculiar to this city, or any other city; it occurs in every community, where a large percentage of those eligible for active participation in government fail to make full use of their prerogatives."

The study confirms the impression that participation in presidential and congressional elections is much greater than that in the city-wide elections. "In the presidential and congressional elections held since and including 1932 an average of 61 per cent of the registered voters have participated, while elections on strictly local or state issues during the same period have interested but 32 per cent of the total."

It is suggested that "a well informed body of citizens who are given clear-cut and interesting issues to decide upon and a reasonable facility for voting will participate to a greater extent than is the case when such conditions are lacking."

Which suggests, in turn, that better knowledge of publicity methods on the part of research bureaus might do much to inject interest into local elections, thereby increasing citizen participation.

Riddle: 43 Equals 1; 1 Becomes 14

Metropolitanism, for some time recognized in the academic cloisters as an important problem, has recently taken its place even in the hoppers of state legislatures, to which it is supposed to take an idea about ten years to journey. In Massachusetts the General Court has ordered recess studies of metropolitan park, boulevard, water and sewerage services. The BOSTON MUNICIPAL RESEARCH BUREAU, recognizing that the state's greatest metropolitan area would be intimately affected by all these problems, devotes a bulletin to discussion of the growth of the Boston metropolitan district, explores each of the problems which will be studied by the legislative committees, and offers its own recommendations to the official bodies.

The bulletin brings out some interesting facts regarding the Boston area. Within an area of 457 square miles live 2,021,670 people in forty-three localities, the fifth most populous metropolitan area in the United States. Now there are a number of joint agencies to administer particular functions for member localities in the area, but the forces which made these agencies necessary were at work from the Civil War to 1889, when the first of them, the metropolitan sewerage commission, came into being. Thirty-eight units of local government in the Boston area belong to a park district, twenty to a water district, eighteen and sixteen respectively to two regional sewerage districts, and fourteen to a transit district. This is a relatively high degree of joint organization, compared with other populous metropolitan districts which are still practicing a rugged and ragged independence in defiance of common sense and practical need.

Nevertheless, a Massachusetts commission is going farther into the questions raised by metropolitanism, and will consider four major problems: (1) similar local and metropolitan functions; (2) possible transfer to metropolitan authority of local functions that are regional in character; (3) oppor-

tunities for efficiency and economy in such transfer; and (4) desirability of revising the bases of metropolitan assessments. The Boston Municipal Research Bureau, recognizing the magnitude of the task, recommends that the General Court continue the commission beyond the year allotted to it.

The Research Bureau makes some specific recommendations to the commission which are of general interest: proposals for assessing metropolitan water expenses on a straight consumption basis, and sewer expenses on a flow basis seem unwarranted; a "stand-by" charge for municipalities having emergency water connections with the metropolitan supply should be adopted—such connections give local protection in case of conflagration or drought; long-term capital budgeting and increased local control over metropolitan projects are needed.

Another metropolitan problem, aggravated in this case by tax limitation laws, is the subject of a committee report of the CITIZENS LEAGUE OF CLEVELAND. In the metropolitan district of Greater Cleveland there are fourteen separate and independent libraries, operating at a cost of \$2.07 per capita as against \$1.01 per capita in Hamilton County, a comparable Ohio area. The Citizens League lays the discrepancy in part to the fact that Hamilton County has a single, unified county library, as against Cuyahoga's fourteen.

Description of the effect of tax limitation on the libraries is an interesting illustration of the governmental whirlpools which may be started by a single law.

"When the ten-mill tax limitation on real estate was adopted as a constitutional amendment in 1931, it was found that the local governmental units needed and would consume all of the ten-mills tax on real estate. New sources of revenue had to be found for the libraries. So the General Assembly, in 1932 and 1933, adopted a series of new tax laws, among which was one increasing the classified property tax,

and allocating 25 per cent of it to the state and the remainder to the local units, with a first lien on the remaining three-fourths for the libraries. This intangible tax was collected from classified property in all parts of the county and went into one fund to be distributed by the county budget commission.

"The local school districts which had established school district libraries were, by that law, relieved of any financial obligation to support their local libraries, even to the payment of indebtedness incurred for library buildings. With the removal of the restraining influence of higher taxes on the local school district, each board of education was encouraged to establish a school district library and to dip into the common pot for the finances with which to sustain it. In fact, the argument was quite generally used that since the tax rate in the school district would not be affected, the district school board should set up a library board and ask for all that it can get for library purposes . . . Under existing laws, it is possible to have one hundred separate and independent libraries in this county in the separate municipalities, school districts, and townships."

How to Make the Front Page

One way of examining the public mind is to look into that sometimes cracked mirror, the American newspaper. What are the headlines screaming most often these days?

The research bureaus should be cheered by one recent crop of clippings. Carl P. Herbert, director of the ST. PAUL BUREAU

gained the attention of editors from Maine to Florida to California when he told the relief session of the National Municipal League's Conference on Government (Baltimore, December 2nd) that the present system of relief is creating a "professional pauper class." Those were the words most often quoted in the headlines, although many of the other salient points brought out in Mr. Herbert's address were treated at length and with considerable accuracy in the bodies of the lengthy stories devoted to his remarks. There was a plentitude of editorials as well, supreme evidence that Mr. Herbert rang a bell somewhere in the national consciousness. If public cognizance of the seriousness of the relief problem is a necessary prelude to solution of that problem, then it may be that we are soon to see that monster question answered—at last.

PAN AMERICAN CONGRESS OF MUNICIPALITIES

(Continued from Page 52)

of administration, for the broadening of scholarship and research in the field of administrative affairs, and for the promotion of true understanding in an area unbeset by conflicting economic and other interests, should not be lost. The Americans to the south have indicated their willingness and desire to seek out the most effective lines of collaboration among the local authorities. It is now up to all Americans, including North Americans, to find the way of successful coöperation and to give it substantial support and assistance.

Recent News Reviewed



Many Cities Interested in Securing Manager Plan

Rochester Advertises Its Manager Government by Radio

Maryland Governor Appoints Commissions

By H. M. OLMSTED

The council of Martinez, California, reports *Western City*, organ of six western state Leagues of Municipalities, has adopted a modified form of city manager government. It has created by ordinance the office of superintendent of municipal affairs and appointed City Clerk Raymond B. Johnson to the position. Under the council's resolution the superintendent of municipal affairs is given control of city employees, and power to create accounting systems, approve contracts with collaboration of the city attorney, act as purchasing agent, and make definite reports on the conduct of the respective departments.

Buford, Georgia, started the new year under its city manager charter obtained from the last session of the Georgia legislature. V. W. Crawford, formerly city manager of Cornelia, Georgia, has been chosen first manager, taking office January 1st.

Citizens of Ventura County, California, have met for the purpose of furthering the county manager idea.

Waterbury, Connecticut, is expected to vote on the manager plan this spring.

The mayor and council of Brunswick, Maryland, are reported to be investigating the manager form.

In Edenton, North Carolina, petitions are being circulated for changing the charter to provide for a city manager; the petitions are intended to be presented to the next legislature.

In Toledo, Ohio, the City Manager League has taken preliminary steps to effect endorsement of the best possible candidates for the city council. A special Citizens' Advisory Committee has been appointed by the League's board of directors to aid in the search for the most suitable candidates for council at the 1939 election.

A proposed new charter for Philadelphia, calling for the city manager plan and proportional representation, has been filed with the legislature by the Philadelphia Charter Commission, an official body appointed two years ago by the Governor and legislature. Pittsburgh, Pennsylvania, also is much interested in the plan.

The council-manager movement appears to have received added impetus in Philadelphia because of the city's financial situation; both political parties are reported to be more favorable to the idea.

Agitation for the city manager plan is strong in Poplar Bluff, Missouri. Civic leaders are circulating petitions asking the mayor and council to call a special election within sixty days from the date of filing such petitions to test the sense of the people as to whether or not they want manager government.

The city council of Cumberland, Maryland, has voted down a proposal for the adoption of the manager plan by that city.

Pittsfield, Maine, in accordance with the action of its last annual town meeting, held in March, 1938, is now preparing a manager charter for submission to the legislature which convenes this month. The town is now acting under the town agent plan pending the adoption of a manager charter.

The Junior Chamber of Commerce in Indianapolis announced on December 6th that it would sponsor a city manager enabling act in the 1939 legislature. Various other organizations are also backing the movement. Mayor-elect Sullivan is reported as stating that he will support a practicable manager movement if it is initiated by civic leaders.

In Bath, Maine, a committee consisting of the mayor, council president, two aldermen, and three councilmen has been appointed to prepare an act for presentation to the legislature whereby the city of Bath may adopt the manager form of government.

A bill to repeal the act authorizing the "Plan E" (city manager with P.R.) form of city government in Massachusetts has been filed in the state senate although movements are reported to be under way in Somerville, Springfield, and Attleboro, Massachusetts, for the manager plan.

Petitions are being circulated in Winchester, Kentucky, requesting the county judge to enter an order for a general election to determine whether the citizens desire a change from the existing commission government to the city manager plan.

A movement has been launched in Sioux

City, Iowa, through petition, for the manager plan. In commenting, the Dubuque, Iowa, *Telegraph-Herald* stresses not only the ability of the manager in that city but the democratic character of the council, consisting of three workmen, a merchant, and a professional man, thus answering the charge that only the wealthy will serve on an unpaid council, and that a manager will be a dictator free from democratic control.

In Ottumwa, Iowa, the *Free Press* comments editorially on the "city board of control" bill to come before the legislature, as an alternative to the manager plan, which has been proposed for Ottumwa. The board of control would be a commission of five, elected at large, to supplement the present three-man commission, and pass on the budget, tax levies, bond issues, and other important matters.

On November 22nd Franklin, Tennessee, defeated a proposal to adopt the manager plan by a vote of 615 to 199.

On December 3rd the Salt Lake City, Utah, Junior Chamber of Commerce launched a campaign to adopt the manager plan.

The Colorado Municipal League will sponsor a legislative bill providing optional city manager government for Colorado cities and towns which do not adopt home rule charters.

The *Wisconsin State Journal* reports that Madison may vote on the manager plan next April.

The *News* of Birmingham, Alabama, reports that opposition to the recent drastic increase in business license rates has given rise to a demand for manager government.

In Duluth, Minnesota, sufficient signatures have been made to a city manager petition to place the question on the ballot. Similar petitions are being circulated in Gardiner, Maine.

A committee of the Chamber of Commerce of Houlton, Maine, has been appointed to investigate town manager government for the community.

The Indiana League of Women Voters

has announced that local leagues in that state have begun a detailed study of the city manager plan.

Court Decisions on Manager Plan

A recent decision of the Wisconsin Supreme Court, on October 11, 1938 (*Webb vs. City of Beloit, 281 N.W. 662*) presents a discussion of the respective powers of a city manager and a city council.

The suit was brought in 1936 by a policeman of Beloit, who sued the city to recover salary reductions made by the council in 1933. The question was raised as to whether or not the legislative powers of the municipal fire and police commissions, as well as their administrative powers, went to the city manager at the time those commissions were abolished. The plaintiff contended that recommendation of salary decreases by the city manager was necessary before council could take such action. The court said, however: "The retention of this power [by the manager] is inconsistent with the basic theory of the city manager plan, which is to abolish the elaborate system of checks and balances theretofore existing in the city government, to turn over the legislative powers to the city council as heretofore, and to turn over the executive and administrative powers to a hired manager."

Another decision involving the city manager plan was rendered on November 28, 1938, by the Ohio Supreme Court in the case of *State ex rel. Paulowicz vs. Edy, City Manager, et al.* An interesting discussion of the case appears in the *Toledo City Journal* of December 3rd, which says in part:

"The specific question decided by the court in this case had to do with the right of the city manager to act and serve in the capacity of director of public safety in accordance with the provisions of ordinance 51-36 passed by the council March 2, 1936. The cause arose when the manager sought to conduct a hearing on the suspension of a member of the division of

fire. Attorneys for the fireman asked the Court of Appeals to grant a writ of prohibition against the conduct of this inquiry by the city manager on the ground that the manager had no authority under the charter to exercise the duties of director of public safety . . .

"By way of a general conclusion the Supreme Court leaned toward the view that the passage of ordinance 51-36 amounted in substance to a usurpation by the council of the city manager's charter authority to appoint the safety director . . .

"The court holds that these sections [sections 101 and 104 of the Toledo charter] impose a definite duty upon the city manager to appoint a director of public safety, and that the council would not have the authority to appoint such an officer in view of the fact that the power of appointment is vested in the city manager by charter provision."

Rochester Broadcasts City Activities

The city of Rochester, New York, made its first venture into regularly scheduled municipal radio programs on November 9, 1938, with the presentation of "A Day at City Hall," sponsored by the Division of Public Relations of the city's newly instituted Department of Commerce. The fifteen-minute program, designed to give the public a view of the routine operations of city government, is produced at city hall each Wednesday afternoon. It is conducted on a question-and-answer basis with a staff announcer of Station WHEC asking city officials questions which arise in the mind of the man in the street.

The radio project opened with an informal interview with City Manager Harold W. Baker and since then has touched upon the departments of finance, assessment, law, public safety, and public works. In its opening stages the program is sketching briefly the jobs done by the major executives of the government; more detailed treatment is to follow. Plans are being made to convert it into a forum of

officials in which specific current problems of the city are to be discussed informally over the air.

The new Bureau of Information, organized to handle complaints in an effort to save the time of city officials, is being advertised each week at the conclusion of the program. This has resulted in a more efficient method of receiving complaints and answering questions of citizens. Dozens of calls for the bureau have followed each broadcast, indicating listener interest in the venture.

The program is arranged by Jack Burgan, public relations director of the city of Rochester. It is carried with no cost to the city and originates from the office of the officials to be interviewed.

All broadcasts are being recorded, by request of the Board of Education, and are being used in social science classes in the public schools.

Three Commissions To Aid Maryland Governor

Maryland's newly elected governor, Herbert R. O'Conor, in accordance with his campaign promises, has appointed three commissions to deal with important matters of state organization and finance. The members will serve without compensation and probably without funds for expenses.

The first commission was appointed to make a thoroughgoing survey of all state departments and institutions, and to recommend steps for more economical and efficient operation. This commission is headed by Dr. Isaiah Bowman, president of Johns Hopkins University. William J. Casey, chairman of the Baltimore Commission on Governmental Efficiency and Economy, is a member.

The second commission is to aid the Governor in the preparation of the budgets for 1940 and 1941, which must be submitted to the legislature within thirty days of his inauguration on January 11th. The chairman of this group is the present state

treasurer (who is appointed by the legislature).

The third commission was appointed for the purpose of determining the best methods by which needed revenues for the state can be raised. It will explore various methods of taxation and make recommendations for the most equitable and fair forms which will be calculated to yield a sum to meet the requirements of the state. This commission is headed by a Baltimore attorney. What acceptable methods they will find is a question. The last legislature discarded the idea of a consumers' retail sales tax, and the voters at the November election defeated a constitutional amendment to provide for a graduated income tax, part of the new governor's fiscal plan.

D. BENTON BISER, *Director*
Baltimore Commission on Governmental Efficiency and Economy, Inc.

State Legislatures Convene

The legislatures of all but four of the states (Kentucky, Louisiana, Mississippi, and Virginia, where the legislatures meet in the even-numbered years) are meeting in regular sessions this year, and all sessions begin this month, except in Florida where they begin in April.

Virginia Council on Public Administration

On November 1st in Richmond the Virginia Council on Public Administration, which was appointed some months ago by Governor James H. Price, held its organization meeting at which Governor Price was elected permanent chairman and Rowland Egger, director of the Bureau of Public Administration, was chosen as secretary.

As of December 1st the council began the publication in mimeograph form of *Public Administration Notes*, which supersedes the *White Paper* formerly issued by the Bureau of Public Administration. This

first issue states, in connection with the meeting of the council just referred to, "The Governor made clear his views that the Council on Public Administration should function as an agency for promoting and facilitating coöperation among researchers and educators working in the general field of public administration in Virginia. He felt that it should avoid, as far as possible, direct undertakings on its own responsibility; it should regard itself as essentially a piece of machinery for conference, consultation, and collaborative planning. This view was unanimously concurred in by the members of the council."

Court Voids New York Prior Lien Law

The New York Court of Appeals on December 6th called unconstitutional a section of the multiple dwellings law making assessments for improvements to old-law tenement houses in New York City liens superior to any mortgages on the properties. It had been hoped that the provision would greatly facilitate efforts of the city to remedy defects that constituted violations of the law, and thus make the buildings safer and more sanitary. Mayor La Guardia, in addressing the annual meeting of the City Club the following day, expressed deep concern about the effect of the decision, and also regarding the increasing cost of the courts themselves, which it is mandatory on the city to pay.

Direct Legislation in Washington State Wins Interest

The November election brought 632,813 voters to the polls in the state of Washington; this figure established a record for a non-presidential year and represented 70.54 per cent of the total number of registered voters. The large vote was due in considerable part to interest in an initiative measure for the regulation of strikes. This proposal, sponsored by the Associated Farmers and the women of Washington, was vigorously opposed by

the labor organizations. It failed of passage by a vote of 295,431 against and 268,848 for. An initiative measure providing for the nonpartisan nomination and election of county and state school superintendents was carried 293,202 to 153,142. Another measure to re-enact the 40-mill tax limit was passed by a vote of 340,296 to 145,534; Washington's so-called "40-mill limit" is in reality a 37-mill limit, with two mills going to the state, ten mills to the county, ten mills to the school district and fifteen mills to the city. The new act, in contrast to the previous 40-mill bills, provides that the legislature may divert the two mill state levy to the cities. Washington voters also passed on a proposed constitutional amendment empowering the legislature to levy a state income tax; this proposal was defeated by a vote of 285,946 against and 141,375 for.

The figures here cited seem to bear out previous Washington experience that the initiative and referendum do not result in minority legislation. The tax limit measure was approved by 69.47 per cent of those who voted on the question and by 53.77 per cent of all those who participated in the election. In the case of the nonpartisan superintendent measure, 65.48 per cent of those voting on the measure favored it, as did 46.33 per cent of all who voted in the election. As usual, many voters failed to express an opinion on the measures submitted to their consideration. Even the 564,279 votes cast on the highly controversial strike initiative fell considerably below the total of 593,294 cast for the three candidates running for the United States Senate, the only state-wide office to be filled in 1938.

HAROLD E. BLINN

Merit System Shows Strong Popular Support in Poll

An overwhelming majority of people in the United States favors the placing of administrative staffs of relief agencies under civil service, according to a recent survey

conducted by George R. Gallup, director of the American Institute of Public Opinion, as reported by the Civil Service Assembly. Following a speech made by Harry L. Hopkins, Works Progress Administrator, urging that the WPA and other relief organizations be placed under civil service, the Institute sounded out public opinion on this subject. Seventy-five per cent of the answers to the question, "Do you think officials in charge of relief should be under civil service?", were in the affirmative. Similar majorities were constant throughout all sections of the United States, and all economic groups whether Republicans or Democrats.

Sealers Go to School

The first training school to be held in the State of New York for sealers of weights and measures of the various municipalities and counties was held in Albany on November 17th, 18th, and 19th. The total attendance of 149 exceeded all expectations. Forty counties and twenty-three cities were represented; thirty-nine county sealers and thirty-seven city sealers (nineteen of whom were from New York City) and one county-city sealer, registered. There were also nineteen state officials having to do with weights and measures, thirty-one commercial and industrial representatives, fourteen students and civil service applicants, and eight officials from other states and the federal government.

The school was conducted by the Municipal Training Institute of New York State, which is administered by the New York State Conference of Mayors. A practical curriculum was laid out, designed to present the fundamentals of the work, including legal aspects, and of state and local coöperation in weights and measures administration.

Nation-Wide Traffic Enforcement Study

Announcement of the first nation-wide study of traffic law enforcement through surveys of traffic courts and the enforcement work of police was made on December 12th by the International Association of Chiefs of Police. The purpose of the study will be to develop standards of traffic law enforcement from the practices now being followed in various parts of the country. The National Committee on Traffic Law Enforcement also expects to aid states and local communities in adopting enforcement standards.

Libraries Seek Federal and State Aid

Through the Harrison-Thomas-Fletcher bill for federal aid to education, expected to be introduced in Congress this month, public libraries are hoping for financial aid from the United States government—particularly for the benefit of rural library service, for which the bill provides a total of \$2,000,000 of grants to states the first year, \$4,000,000 the second year, and \$6,000,000 for each of the three succeeding years. The bill has been revised recently to meet certain difficulties encountered at the last session of Congress.

State aid for public library development will also be a live issue during the year, according to the *Bulletin* of the American Library Association, which states that renewal of 1937 appropriations will be sought in Arkansas, Ohio, and Vermont, to continue the program of rural library development; while other state library associations and agencies plan to build on the legislative interest developed at the last sessions, or to make a first attempt. In Michigan, where the state board has a continuing grant, no new legislation is planned; but in various other states library appropriations that have been made must be continued by positive action.

Westchester County Under New Charter

**County Reorganization Fails in
New York; Wisconsin County
Welcomes New Citizens; Missouri
Voters Reject Amendments.**

By PAUL W. WAGER

The new charter which Westchester County, New York, adopted in November, 1937 went into full effect with the beginning of the new year. Under its provisions the county has an executive head, under whom are placed all departments, for the first time in its history. He will assume broad administrative powers and fiscal responsibilities which have heretofore been vested in the Board of Supervisors. William F. Bleakley, elected in November, has been installed as the county's first executive.

The new County Tax Commission established by the charter is one of the most far-reaching reforms made. This commission will undertake the compilation of annual equalization tables, promulgate and adopt a uniform standard of assessments throughout the county, and endeavor to have all local assessors use a uniform system.

Offices of the county controller and county treasurer are to be abolished and their work absorbed by the commissioner of finance. The duties of county register will be taken over by the county clerk.

Many other governmental practices are being modernized for the first time since 1703.¹

County Reorganization Fails in New York City

After a session lasting some twenty hours, during which the Democratic majority carried on an extensive filibuster, the New York City Council defeated five county reorganization bills supported by

Mayor LaGuardia and independent members of the council by a vote of seventeen to nine.

On December 8th, after eleven months of delay, the council brought the bills out of committee and set December 20th for a discussion of them. The bills, introduced on January 25th last by Mrs. Genevieve B. Earle, Fusion councilwoman from Brooklyn, provide for the abolition of five county sheriffs, four county registers, two county commissioners of records, five public administrators, and two county commissioners of jurors. Only one city-wide sheriff and one city-wide register (both to be appointed by the Mayor) would be retained. These consolidations would permit the removal of a goodly number of deputies and clerks, many of whom have little or nothing to do, and result in a saving to New York City of several hundred thousand dollars a year.

The council has full authority to abolish these elective county offices and the present county incumbents were elected with the knowledge that their positions might be terminated at any time, but a provision of the new state constitution "froze" the incumbents into office for their full terms when the offices were not abolished prior to January 1st. Since most of these county officers are Democrats, the Democrats in the council, constituting a majority of the board, were, of course, averse to taking such action, and this despite the reminder of Mayor LaGuardia and numerous civic organizations of the three-to-one mandate of the people in 1935, when the home rule amendment was passed, to effect this long overdue reorganization.

The matter will undoubtedly be a major issue in the election campaign next fall when members of a new city council will be elected.

A Wisconsin County Celebrates Citizenship Day

Government officials and interested citizens are everywhere raising the question

¹See also the NATIONAL MUNICIPAL REVIEW for December 1937, page 603.

as to what can be done to increase the active participation of the average citizen in government. Manitowoc County, Wisconsin, appears to have found a part of the answer. Through the Vocational School of Manitowoc a round table in problems of public administration was arranged. At this round table the suggestion was made that Citizenship Day be recognized and celebrated. The round table accepted the challenge, and the councils of the several cities and the county board of Manitowoc County voted approval. Therefore a Citizenship Day was established and made the occasion upon which the citizenry of the county welcomes the young men and women who have reached their twenty-first birthday into the electorate and acquaints them with the part they are expected to play in government.

The handbook prepared for the new citizens lists the aims of the Citizenship Day program as a help toward:

1. Creating a sense of duty and responsibility that accompanies the rights of citizenship;
2. Giving to the entire citizenry a clearer appreciation of its duties, responsibilities, and obligations;
3. Developing a clearer understanding of the relation of local government to the state and nation;
4. Assisting in creating a high degree of community spirit;
5. Counteracting unwholesome negative propaganda by generating intelligent and creative participating citizenry.

Since training for citizenship has long been regarded as a responsibility of the schools, it is considered fitting and proper that Citizenship Day be conducted under the leadership of local school authorities, as a part of the community's program for vocational and adult education.

The *Topeka Daily Capital*, in its issue of December 18th, commented editorially on the Manitowoc experiment. It said, in part: "An intelligent and fully informed

electorate is our first line of defense in the fight to save the American way of life. It is more than that, in fact—it is just about the only defense we need. If our 'new citizens' each year could get a thorough grounding in the essential facts about our democracy, plus an intelligent understanding and appreciation of the ideals on which those facts rest, there would presently be little need to worry about the danger of any foreign 'isms' getting a foothold here."

Cities of Oregon County Organize

Cities in Clackamas County, Oregon, have just formed the Council of Clackamas County Cities. According to *Western City*, organ of the Leagues of Municipalities of six western states, this organization is the first of its kind in Oregon and represents an effort on the part of small cities with similar problems to strengthen their position by co-operative effort. "Uniting for more efficient and economical service," is the purpose stated in the constitution of the council adopted at its initial meeting.

Missouri Constitutional Proposals

The voters of Missouri on November 8, 1938, approved only one of eight different constitutional propositions submitted to them. It amended the old-age assistance provision, reducing the age requirement from seventy to sixty-five years, so that the Missouri provision harmonizes with the federal law. It is assumed that the legislature, convening in January, will pass legislation reducing the age limit in line with the amendment.

Since the state pays the entire expense of old-age assistance, the county relief burden should be further reduced. The next logical step is the establishment of district homes for the indigent and infirm aged, and the abandonment of the smaller and more antiquated county almshouses.

Among the amendments defeated was one to permit the elective county sheriffs and coroners to succeed themselves in office. They are now limited to one four-year

term, whereas other county officers may succeed themselves indefinitely. Another rejected amendment would have provided for a ten-year state highway plan and transferred some five thousand miles of county roads to the state supplementary system. The plan was to be financed principally through an increase in the state gasoline tax from two to three cents per gallon. A third amendment would have given constitutional authority to counties to levy a special tax for hospital purposes—a needless proposal, for counties now have statutory authority to levy taxes for such purposes. The other propositions did not directly concern county government.

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Summary of 1938 Legislation in Mississippi

Following is a résumé of the more significant legislation affecting municipal corporations and counties enacted by the Mississippi legislature in 1938.

Mississippi River cities are especially benefited by the authorization to construct, operate, and maintain bridges fully or partly within the state. These may be financed by revenue bonds to be retired from bridge tolls, with the provision that tolls are to be abolished as soon as such indebtedness is removed. Cities of six thousand to nine thousand may vote on the abolition of municipal courts, such election to be called on petition of 20 per cent of the qualified electors. Gulf-coast counties are authorized to make sea wall repairs and to replace the sand beaches where these have been destroyed by the removal of sand on the water front. In this category Harrison County was authorized to create a parkway commission to beautify the sea wall drive along the gulf coast.

Counties are instructed to encourage the terracing and draining of land and to coöperate in any way with the federal government on land conservation projects. They are further permitted to construct,

extend, aid, or add to, free public libraries, and if desired two counties may coöperate in an inter-county library project.

Circuit clerks of counties are required to furnish the State Bureau of Vital Statistics with information regarding marriages, as well as births and deaths. Chancery clerks and city secretaries are required to file statements regarding all bond issues with the State Auditor of Public Accounts.

Counties are further authorized to establish or coöperate in establishing hospitals for the treatment of tubercular patients, provided that a property tax levy of one and a half mills is not exceeded for that purpose. In counties having two cities of over ten thousand population an assistant probation officer may be appointed to aid the county probation officer. Counties are authorized to preserve historic and prehistoric monuments.

Compensation of supervisors was increased in counties, depending upon classification, to a range of \$5.00 to \$7.00 per day, with a maximum of \$900 to \$2,000 per year. State line counties not having hospitals with charity wards may enter into agreements for the care of charity patients with adjoining states.

Mississippi law has provided that when the office of sheriff shall become vacant it shall be filled temporarily by the coroner. In the past this has caused some embarrassment in counties having no coroner, but it is now provided that the circuit judge of the district shall appoint an acting sheriff when there is no coroner.

The pay of election officials is increased to \$3.00 per day. Counties are authorized to levy a maximum of one mill tax to provide for a public health department and the treatment of the indigent sick.

Municipalities of 1,500 or more are authorized to enact zoning ordinances. This aims to clarify the existing doubt regarding constitutionality of zoning within the state of Mississippi.

The ten-year tax exemption on manufacturing sites is reduced to five years in all future contracts with industries.

Cities and counties are given concurrent jurisdiction over street maintenance where a street continues into or intersects a county road. Cities and counties are also authorized to enter into agreements for the maintenance of flood control projects constructed by the United States or any agency thereof. Provision is also made for cities or counties to undertake housing improvement projects including the condemnation of unfit dwellings. A housing authority may be set up to undertake housing projects in coöperation with the federal authority.

Municipalities are authorized to insure all municipal property and also to sponsor casualty and employee group insurance covering life, health, sickness, accident, and hospitalization.

It should also be noted that this session appropriated adequate funds to permit the auditing by the State Auditor of Public Accounts of all county financial records. This provision was made some years ago, but funds were not provided to make it possible for the auditor to expand his staff sufficiently to attend to this work.

The most significant piece of legislation was that passed by the special session of the legislature and known as the home exemption statute. Under this statute any home occupied by the owner, plus adjacent lots, up to a total assessed valuation of \$5,000 is exempted from ad valorem taxes. Similarly, the home and farm land used for farming up to 160 acres or to the assessed valuation of \$5,000, are exempted. The exemption extends to ad valorum taxes levied by the state, counties, and special districts for current expenses, including the maintenance of roads and schools. The act does not exempt property from taxation for interest and retirement of existing bonds, and it does not apply to municipal taxes for general city purposes. Generally speaking, the property must be a bona fide home owned by a resident of this state, used exclusively as a home by the owner, and occupied by the head of a family.

The local units are to be reimbursed by the state for the loss sustained as a result of homestead exemptions. It is impossible to tell at this time the full effect of this program upon state revenue, and upon property values and rentals. A preliminary survey by the State Tax Commission indicates that about 133,000 homesteads are affected with an average of about \$25 benefit per homestead and a total tax loss of somewhat over \$3,000,000. It should be noted that the legislature sought to provide revenue to reimburse the state treasury by replacing the 20 per cent cigar tax and by increasing taxes on beer and cigarettes. The reduction in assessed value is estimated at about 25 per cent.

It is believed that the state treasury will be able to handle the reimbursement during the first year without any difficulty. There is some difference of opinion as to its ability to continue to do so without financial embarrassment to the state.

D. W. KNEPPER
Mississippi State College for Women

Berkeley Tax Collections Best in Ten Years

Savings on Soap Would Finance Toledo's Waterworks

By WADE S. SMITH

Berkeley, California, (96,000 population) San Francisco Bay community regarded by many as the outstanding example of well rounded civic development under the city manager plan, continued to hang up laurels for itself with the completion of the 1937-38 fiscal year. Year-end delinquency on the 1937-38 levy amounted to but 1.82 per cent compared with 2.06 per cent for the preceding year, and was the lowest showing in a ten-year period when the highest delinquency was but 7.3 per cent. Collection of back taxes fell

off slightly from the previous year as the back-log of unpaid items was reduced, but even so total current and delinquent collections during 1937-38 amounted to 103.04 per cent of the levy, only slightly under the 103.54 per cent collected in 1936-37.

Berkeley, like many other California units, maintains a "cash basis" revolving fund to make borrowing in anticipation of taxes unnecessary. This fund remained at \$243,050 in cash at June 30th, all advances to other funds having been repaid in full to maintain a complete cash basis.

Soap Saved to Pay for Waterworks

Toledo Ohio, established its first municipal water works in 1870, drawing its supply from the Maumee River and enlarging its plant as the growth of the city required. On December 8, 1938, the city sold \$3,600,000 bonds for an authorized plant to cost over \$9,000,000 to provide facilities for shifting the source of supply to Lake Erie.

Not only is the Maumee River supply inadequate, especially in dry periods when curtailing of water use is necessary, but the river water is high in "non-carbonate hardness," resulting in excessive scale in pipes, boilers, etc., and requiring use of large quantities of water softener and powerful soaps. The lake water is "soft", and although the city's water department has had annual net earnings sufficient at present water rates to amortize the debt on the new construction, engineers have estimated that the savings to the city's householders and industries will more than offset the cost of the new source of supply. The experts figure the use of lake water will save \$716,000 annually—\$440,000 in extra household soap, \$150,000 in deterioration of linen, \$80,000 in extra fuel and deterioration of family water heaters, \$29,000 in extra use of softening compounds by railroads, and \$17,000 in extra use of softening compounds by other industries. The saving in soap alone when lake water

is available is estimated to amount to \$3.50 per average family. Debt service on the new plant will be well within the saving on soap alone, the saving on the other items representing a clear profit for the community, so to speak.

Although the elimination of waste resulting from the present hard water supply played no part as an issue in the election at which the plant addition was authorized, the estimates are illuminating in throwing light on the dollars-and-cents results of an expensive community project. The soap wasted in hard-water cities throughout the nation staggers the imagination.

Philadelphia Council Faces Tax Dilemma

With its 1939 budget approximately \$26,000,000 short on the revenue side, Philadelphia's city council on November 26th enacted a 1½ per cent city income tax to take the place of a 2 per cent city sales tax expiring December 31, 1938. The tax was immediately attacked in the courts and upheld, with reservations, by the State Supreme Court in a decision handed down on December 5th.

The income tax law as enacted provided for a flat 1½ per cent tax, with certain exemptions, on incomes of persons working in Philadelphia whether they were residents or non-residents of the city. A credit of \$15—equivalent to a \$1,000 exemption—was to be granted for filing a return, and farmers and domestic workers were to be exempted entirely. The Supreme Court upheld the constitutionality of the tax, but threw out all the exemptions. In addition, the court "assumed that regulations will be promulgated" to have the tax collected "at the source," an interpretation which is puzzling proponents of the tax since the tax is directed against 1938 incomes which obviously can hardly be collected at the source during 1939.

Following adoption of the Philadelphia tax law, labor threatened a general strike

if the plan were allowed to become operative, while numerous groups joined in demonstrations in opposition with the city hall picketed by anti-tax advocates.

At a recent meeting, therefore, the council, without repealing the income tax, passed a three-cent sales tax law. This law the mayor has promised to veto. According to the business men of the city, the two-cent sales tax has meant the loss of millions of dollars to Philadelphia merchants and the raising of the tax to three cents on the dollar will have even more drastic effect upon trade.

At this writing strong protests are arising over both the income tax and the new sales tax, while the city council faces the dilemma of finding some means of raising the necessary funds for 1939 without arousing too greatly the ire of its taxpayers.

At a recent meeting of the council the income tax law was repealed. Ed.

Texas Road Debt Reorganization Urged

Reorganization of the structure of over \$209,000,000 highway debt in Texas, with indicated savings to taxpayers of from \$4,000,000 to \$8,000,000 a year, is recommended in a survey prepared by Norman S. Taber and Company, New York fiscal consultants, and filed late in November with the State Highway Commission and the Board of County and District Road Indebtedness. The survey was authorized to be made by or for the two boards by a joint resolution of the Texas Senate and House passed late in 1937, which directed that they investigate "the ways and means of reducing, if possible, the annual burden of the present county and district road indebtedness in the state by means of a comprehensive reorganization program of the debt structure, or by changes of administration, or by such other means as may be found . . ." The two boards were directed to report their findings and recommendations to the Governor and legislature by January 1, 1939.

Centralization of highway development

and maintenance has come slowly in Texas. Although a coördinated state program was adopted as early as 1917 in order to participate in federal highway aid, highways continued largely the responsibility of the localities for many years and it was not until 1932 that the state assumed ownership and control of all designated state highways with all future improvement of the state system to be under the direct and exclusive control of the state highway department. Also in 1932, the state set aside one cent of the gasoline tax to be used to meet principal and interest requirements on county and road district debts incurred to construct facilities made a part of the state highway system. The eligible road debt of the counties and road districts now totals about \$182,000,000.

At present the state acts as disbursing agent for county and district road debt, receiving from each locality the funds to cover the local portion of service and then adding the state's reimbursement on the eligible debt. The state has in no sense assumed the eligible road debt, however, and the payment of debt service on the portion eligible has been for two-year periods subject to legislative re-enactment. Interest rates carried on many of the local road bond issues are high, and the road debt has necessarily been involved in defaults in those counties and districts which became involved in difficulties.

The Taber survey recommends the immediate reimbursement by the state of the \$182,000,000 eligible road debt, by means of a state highway refunding bond issue in serial bond form maturing in from one to nineteen years. If the refunding bonds were sold at 3 per cent, the gross interest cost over their life would be about \$58,000,000 or a total cost of \$240,000,000.

Service on the refunding bonds would be met, first, by reallocation of the motor vehicle registration fees, to the extent that the counties annually pay to the state from motor vehicle fees they now get, up to 4 per cent of the principal amount of such road debt as is now supported by the

counties. This would amount to approximately \$3,800,000 annually. Secondly, provision for the payment of the interest charges of about \$13,000,000 annually would be made by the pledging of one cent of the gasoline tax and the state's share of the motor vehicle registration fees as reallocated. Any excess of revenues would be released to the highway fund.

The plan would save up to \$55,000,000 to the taxpayers of the state during the next twenty years, with a saving to the counties of from \$52,000,000 to \$96,000,000 in debt payments over the life of the bonds. County interest payments would be reduced \$4,000,000 to \$8,000,000 annually as compared with 1938. In addition, over \$1,500,000 would be released to the highway department annually for new improvements, while the debt would be reduced more rapidly than it is scheduled at present. Greater security to bondholders and strengthening of the credit position of the localities would also result. Consummation of the plan would, however, be largely dependent upon the coöperation of holders of present highway bonds, since only a relatively small portion of the outstanding bonds are callable prior to maturity.

Asbury Park Discharged from Bankruptcy

On December 10, 1938, the New Jersey State Municipal Finance Commission ordered the city of Asbury Park discharged from its jurisdiction after nearly three years of a virtual bankruptcy receivership. The order followed agreement in June to a refunding plan by creditors representing more than 85 per cent of the city's indebtedness, which had been in default as to principal since 1933 and as to interest since 1934. The city was expected to be discharged shortly also from the jurisdiction of the special four-man Beach Front Commission, appointed in 1936 to conserve the beach revenues which constituted the "self-supporting" security against which much of the city's debt had been incurred.

The refunding plan approved by the State Supreme Court order in mid-1938 followed a long and stormy effort to reorganize the city's debt. Litigation between the city and bondholders, the state and the city, and contention between various bondholders' groups several times upset plans on the verge of acceptance. The program now operative was based on the issuance of \$10,402,200 callable term refunding bonds, bearing 4 per cent interest, due in 1966 and callable by lot after any interest payment date. A short-term obligation owed the state for unpaid state taxes, amounting to \$328,999, was not refunded. Accrued interest of \$2,244,381 was waived in the amount of \$983,116, and the balance, representing a payment of 3 per cent per annum, was paid in cash accumulated from various levies made under mandamus during the protracted litigation. A debt service fund was set up, with stipulated annual levies including reserves provided for and calling of term bonds when cash reached certain levels made mandatory. A revolving fund for financing operations was also established.

While composition of the city's debt is long overdue, the plan is extremely liberal to the city's creditors, involving only a fractional write-down in the annual interest rate and no sacrifice of principal. Moreover, many of the restrictions placed upon the city to insure funds for debt service are untried, and may or may not work. The direct tax-supported debt of Asbury park is unduly high—over \$600 per capita, raised to over \$650 per capita when the underlying county debt is considered—and some scaling of the debt to more manageable proportions may yet prove necessary. Past wastes and extravagances may explain such a high debt, but the mere explanation does not make the burden any the more supportable.

Tennessee Cities Ask Share of Gasoline Tax

A new organization called the Municipal

League for Tax Adjustment has been formed in Tennessee for the purpose of securing a share of the state gasoline tax for cities. At present, five cents of the seven-cent gas tax is retained by the state and the remaining two cents are returned to the counties. It is proposed that the seven-cent gas tax be continued but that the revenues from it be redistributed with four cents going to the state, two cents to the counties, and one cent to the cities. Based upon the 1936-37 gas tax revenues, the cities' share would amount to some \$2,500,000. Judging from the response of city officials to this program whereby the cities will receive new revenues, one may anticipate a strong campaign at the 1939 legislative session to accomplish this end.

LYNDON E. ABBOTT

Tennessee Valley Authority

Kansas City Refunds to Avoid Default

Kansas City, Missouri, a manager city which like Asbury Park failed signally to live up to its opportunities, sold privately during November an issue of \$1,200,000 water refunding bonds. The transaction was the first step in the final act of a drama which will cost the city's taxpayers millions, and brings to a head a long period of insufficient provision for debt and several years of certainty that the city would have to refund maturing bonds if it was to avoid default.

From the date of issuance of nearly \$17,000,000 of term bonds, the city had failed to provide adequate sinking funds, and what had been provided was reduced almost to zero in 1935-36. In that year \$4,274,000 of general improvement term bonds matured, but two months before the maturity, the general sinking fund had total assets of only \$980,304, while the water sinking fund had \$1,749,436. In the face of prophecies that the term bond maturity could not be met, the city (illegally, it is alleged) used the water sinking fund as well as general sinking fund assets,

and in addition borrowed, without charter authority, \$1,250,000 from local banks. At the end of 1935-36 combined assets of the two sinking funds had been reduced to less than \$18,000, with term bonds amounting to \$13,100,000 to fall due within the ensuing seven years. The first sizeable block of these bonds was due this year, 1938-39, with \$1,250,000 water term bonds maturing and \$200,000 general improvement term bonds due. The sinking fund assets of both funds at the beginning of the year, May 1, 1938, totalled less than \$14,000. Some \$650,000 general improvement term bonds mature in 1940-41, and a final \$11,000,000 water term bonds fall due in 1942-43, with refunding of all but negligible portions of both maturities prospective unless the city sharply reverses present policy and begins the rapid accumulation of reserves. Unlike Asbury Park, discussed above, the debt burden in Kansas City is moderate, \$71 per capita for the city compared with a median of \$79 per capita for cities of 300,000 to 500,000 population. The over-all debt—total of all governmental units supported by taxes levied against property in the city—is \$137 per capita, slightly over the group median of \$121. The expensive extension of maturities, with added interest cost, by refunding is therefore to be chalked up to mismanagement rather than to inability of the community to support its debt.

New York P. R. Ban Defeated in Every County

Statement by Judge Seabury

Annual P. R. Meeting

By GEORGE H. HALLETT, JR.

The final official figures on the nine state constitutional amendments voted on in New York on November 8th show that the amendment prohibiting proportional

representation was the worst-defeated of the three defeated amendments, losing by a ratio of nearly two and a half to one. It failed to carry a single one of the sixty-two counties in the state. In New York City, where powerful politicians made a determined effort to carry it, the amendment was defeated in each of the five boroughs by ratios varying from three to two in Richmond (which voted against the adoption of P. R. in 1936) to nearly five to two in the Bronx. The official figures were as follows:

	<i>For</i>	<i>Against</i>
	<i>the Ban</i>	<i>the Ban</i>
Bronx	66,356	160,865
Brooklyn	117,713	268,534
Manhattan	93,010	172,197
Queens	66,594	155,889
Richmond	11,358	17,553
 New York City	355,031	775,038
Outside N.Y. City	272,092	779,366
 Total	627,123	1,554,404

Judge Seabury Answers Robert Moses

During the recent campaign for the adoption of P. R. in Schenectady (which came within striking distance of success and is being resumed for next fall) publicity was given by opponents of the charter amendment to a letter from Park Commissioner Robert Moses of New York City, who has been strongly opposed to P. R. for some years. Mr. Moses was answered by Judge Samuel Seabury, who was counsel for the famous legislative investigation of New York City government during the administration of Mayor Walker and recommended the adoption of P. R. in his final report. The answer was in the form of a letter to Richard K. Hamlen, Chairman of the Schenectady Citizens Council for P. R. Since it deals with a number of the more widely held objections to P. R., it is reproduced here in full:

"Dear Mr. Hamlen:

"Thank you for sending me the copy of

Commissioner Moses' published letter advising the voters of Schenectady not to adopt proportional representation next Tuesday. The letter makes it apparent to me that Mr. Moses has been so busy with his many good works on behalf of the public that he has not given this matter careful attention, for most of his statements about it will not stand analysis. My own advice to the voters of Schenectady or any other city would be emphatically in favor of adopting this improved instrument of democracy.

"Mr. Moses' first specific charge against proportional representation is that 'a considerable number of voters do not understand it.' Here in New York at least enough of them understood how to use it so that the total valid vote for councilmen under P. R. was 100,000 greater than it had ever been for aldermen under the old system; and the number who actually helped elect candidates for whom they voted was nearly half a million more.

"Mr. Moses says, 'The counting of the votes is a long and tedious process opening up all sorts of suspicion and shenanigans.' Our count in New York was dragged out considerably by deliberate soldiering on the part of some of the ten-dollar-a-day employees, but the central count conducted in the white light of public attention was a better safeguard of accuracy than we have in ordinary elections. When a few of the counters in one borough attempted to cheat, the checks inherent in a P. R. count exposed them immediately. Schenectady need have no fear of a long count, for experience elsewhere shows that in a city of that size the count can easily be completed in two days. The last two P. R. counts in Cleveland took only three days each.

"Mr. Moses repeats the usual theoretical charge that 'the system encourages religious, professional, factional, and minority voting.' Of course there is always under any system a good deal of voting along lines that have little logical connection with the

real issues, but how little this was encouraged by P. R. is illustrated by a comparison of Jewish votes and councilmen elected in the Bronx and Manhattan. In the Bronx, which has a very heavy percentage of Jewish voters, not a single Jew was elected to the borough's delegation of five councilmen. In Manhattan, with a smaller percentage of Jewish voters, three Jews were elected out of a total of six, one from each of three political groups. Since four-fifths of all those who cast valid ballots helped to elect persons of their choice, it is evident that a great many non-Jews voted for and helped to elect Jews in Manhattan and a great many Jews voted for and helped to elect non-Jews in the Bronx.

"One of the most surprising charges in Mr. Moses' letter is that P. R. encourages 'irresponsibility on the part of those elected.' In the old Board of Aldermen a large part of the members were completely irresponsible, simply taking their opinions ready-made from the party machine and acting as rubber stamps. In the new City Council a much greater part of the members feel their own personal responsibility to the voters who elected them. This means, of course, more independence of judgment and less 'party responsibility' in the sense of party machine domination, but that, it seems to me, is a result greatly to be desired.

"Mr. Moses deplores the possibility under P. R. of having three or more groups represented in the Council, no one with an absolute majority. This can only happen if no group has a real majority of popular support, for a real majority group is surer of winning a majority of the seats under P. R. than under any other system. To give a group which does not have a real majority of popular support a controlling majority of the members is a flagrant violation of the fundamental American principle of majority rule. I understand you do not have to go beyond your last two Council elections in Schenectady for instances of that kind. P. R. is the best protection

against rule of the minority because of division in the majority.

"Mr. Moses gives considerable space to a discussion of the city manager plan of government. This is hardly germane to the present discussion, for you have the city manager plan already and there is no proposal before the voters to change it. I should like to point out, however, that his fears concerning the ability of the Council to choose a manager if there are wide differences among the councilmen on other matters are illusory. The very fact, if it should be a fact, that no one political group had a majority by itself would make it easier to reach an agreement that the manager should be non-political and chosen on a basis of merit. The city managers chosen by P. R. councils have by and large been among the most eminently successful of American city executives. When the Cincinnati P. R. City Council chose its present outstanding city manager, Colonel Sherrill, it did so by unanimous vote.

"Mr. Moses refers to the machinery of proportional representation as 'freakish and accidental.' That would better describe your present election machinery, under which a minority of the voters can elect a majority or all of the members or none at all, depending on whether the opposition is united or divided. No such freakish results can happen under P. R.

"Mr. Moses concludes with Alexander Pope's plausible but dangerous couplet:

For forms of government let fools
contest.

Whate'er is best administered is best. Would he really contend that a totalitarian dictatorship, if well administered, is better than even an inefficient democracy? There is the same sort of difference between the old defective plurality system of electing representatives, with its tendency to unchecked machine control, and the even-handed justice assured to all voters by proportional representation.

"Sincerely yours,

SAMUEL SEABURY"

P. R. League Holds Annual Meeting

The annual meeting of the Proportional Representation League was held on December 3rd at Baltimore, Maryland, in conjunction with the annual conference on government of the National Municipal League. Two sessions, morning and luncheon, were assigned to the subject of P. R.

In the absence of Professor A. R. Hatton of Northwestern University, president of the League, C. G. Hoag, its honorary secretary, presided at the morning session, at which a brief business meeting was held. Richard S. Childs of New York, Paul H. Douglas of Chicago, A. R. Hatton of Evanston, Illinois, C. G. Hoag of Haverford, Pennsylvania, J. Henry Scattergood of Villa Nova, Pennsylvania, and Thomas Raeburn White of Philadelphia were re-elected as trustees for the ensuing year. C. A. Dykstra, president of the University of Wisconsin and of the National Municipal League, was elected as trustee to fill the vacancy caused by the recent death of Henry Bentley.

A resolution of regret at the untimely death of Mr. Bentley and of respect for his memory was adopted.

The rest of the morning was devoted to a discussion of P. R. and campaigns for its adoption during the past year. Speakers and their topics were as follows: Walter J. Millard, "A Demonstration P. R. Election"; Julian G. Hearne, Jr., "The Successful Defense of P. R. in Wheeling"; H. C. Loeffler, "The P. R.-Manager Votes in Massachusetts"; Arthur S. Otis, "A P. R.-Manager Charter Adopted in Yonkers"; Richard K. Hamlen, "The First Try in Schenectady"; George H. McCaffrey, "P. R. and the New York Constitutional Convention"; and George H. Hallett, Jr., "What Lies Ahead."

The two addresses given at the luncheon were made by Thomas Evans, chairman of the Philadelphia Charter Commission,

whose topic was "A New Charter for Philadelphia," and Newbold Morris, president of the New York City Council, who spoke on "The Twentieth Century Significance of Municipal Government." Paul Kern, president of the New York City Civil Service Commission, presided at the luncheon.

E. S. P.

**LOCAL RESPONSIBILITY
FOR PUBLIC ASSISTANCE**

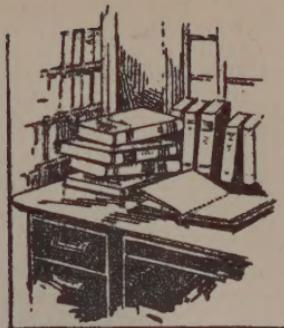
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though our planning must proceed on a nation-wide scale, this ultimate point—the point where the "plan" and the people meet—is still the local community. The city and the town remain the foundation of the whole structure, the place where every public welfare program, whether based on federal and state coöperation or not, must actually get down to brass tacks and do its work.

Public welfare has come a long way from the rigid insularity of its traditional localism. But all the roads of national public welfare planning lead back to the new localism, in which each community becomes the focal point not only for the nation-wide problems of our complex industrial society, but also for nation-wide efforts to safeguard the security of individual citizens.

EDITOR'S NOTE—Address delivered before forty-fourth annual National Conference on Government of the National Municipal League, Baltimore, Maryland, December 2, 1938.

Recent Books Reviewed



EDITED BY ELSIE S. PARKER

The American Politician. Edited by J. T. Salter. Chapel Hill, University of North Carolina Press, 1938. xvi, 412 pp. \$3.50.

Probably not many serious students of politics read Walter Winchell's columns, but it is doubtful whether those who do are ever tempted to draw scholarly conclusions on the basis of information contained in them. They would not dream of remarking, for instance, that "bassinetting" these days appears to be confined to blonde show girls who are married to newspapermen, or that the duration of affairs of the heart among society people is longer (shorter) than among Broadway personalities.

Nevertheless, this reviewer is willing to lay a small wager on the possibility that students of politics will find their consciences prodding them on to generalizations when they scan the Winchell-ish gallery of politicians that J. T. Salter has assembled from many pens. The thing is positively tantalizing to anyone who has ever associated with that earnestly generalizing body of knowledge known as "political science." As Professor Salter rightly points out in his introduction, "The most important task confronting the people in a democracy is that of picking the right politicians." Well, then, here are fairly complete, albeit short, biographies of nineteen of those currently and prominently picked. Should there not be some

general principle or principles to be derived from these personalities and careers which will give the political scientist a potent talking point in his lectures on, or dalliance with reforms of, the democratic process?

Perhaps there should, but there apparently isn't. The LaGuardias and the Hoans and the Chandlers and McNutts have characteristics in common—but they have these characteristics in common with good poker players, the presidents of many a steam fitter's lodge, and a good many soda-jerkers. Anyone who wants to read *The American Politician* had better relax and decide to enjoy himself from the beginning. This well—in some cases superbly—written book is concerned with some of the most interesting names in the history which is being currently made. Those names include LaGuardia, Vandenberg, McNutt, Norris, Wagner, Tydings, Robert La Follette, Jr., Maverick, Chandler, (John L.) Lewis, Farley, (Norman) Thomas, Hoan, (S. Davis) Wilson, (Sol) Levitan, (Joseph) Sickler, Brancato, Heuck, and Honest Tom McIntyre (a pseudonym). The writers include newspapermen, professors, and public officials, almost to a man possessed of insight, humor, and literary talent. Hence the result of Professor Salter's fortunate genius for assembling the writers and subjects is a delightful three or four hours, maybe more, with some fascinating people.

There is not much point in giving any

of the details about the subjects' lives, personalities, and careers. So much retellable information is packed into the volume that to choose one item would be to insult the rest. The very existence of the volume (a generalization at last!) proves at least the entertainment value of democracy. The news which has been coming to us out of the dictator countries these past few years has been noticeably deficient in personalities. Usually there is one dominant Personality, about whom the nature of the regime usually prescribes a journalistic diet part prevarication, part half information, part utter silence. But a democracy is replete with leaders, big and little, whose very livelihood demands that they endure the most merciless publicity. Usually, of course, they love it. And well it is that they do, for the American public is ready to eat it up, political scientists undoubtedly included. This book has Horatio Alger, *Dead End*, and Amos 'n' Andy beat all hollow. Any reader will find at least a few among the nineteen whom he can count as personal heroes, although he may have a harder time finding villains. But whether you're looking for a vaudeville show, a teaser for your scholarly mind, documentary proof that politicians are supermen or the reverse, or the Achilles' heel of a single man, *The American Politician* was compiled expressly for you.

(P.S. There is a photograph of every politician supplied with every word portrait. If you get tired of reading you can look at the pictures.)

M. R.

This Man LaGuardia. By Lowell M. Limpus and Burr W. Leyson. New York City, E. P. Dutton & Company, 1938. 429 pp. \$3.00.

On the jacket of this book are listed eight roles that Fiorello H. LaGuardia has played on the stage of life. The one he now fills, "the greatest reform mayor in New York's history", to quote the jacket,

is the role most Americans know something about. But we have long stood in need of an account of the years preceding, in order that it might throw some light upon what emotional experiences have gone into shaping the character and furnishing the titanic drive of this man who holds the second most important position in the public life of these United States.

To give the suggestion that he has simply been playing roles, however, is not fair to the man, in spite of the drama even to the point of theatricality which at times surrounds his acts. This book demonstrates that he so acts because the inner core of the man is that flaming hatred of wrong and injustice, that passion for the people, which great historical figures have had who later became prototypes for dramatists.

In appearance and because of the same racial strain, that easy likeness, Napoleon, first comes to mind. But to this reviewer, the bandy-legged cavalryman whose statue stands on guard outside Westminster Hall—Oliver Cromwell—had much of the soul-stuff of this thoroughly American son of Latin blood, though in LaGuardia there is more pity than Cromwell could feel.

The writers are journalists who say they tried to picture the man without evaluating his motives or principles. Fortunately they could not write about their subject without letting us know what those motives are.

Each one who reads the book, and its readers should number thousands, must judge those motives, their objectives, and their ethical and social worth for themselves. They must do more: they must enlist against them if they are felt to be unwise and be as unsparing of their energy as LaGuardia has been of his, for young Americans will not read Horatio Alger today, and they will gladly barter the chance they will be rich for the price of a movie. Nevertheless, they seek, as ever youth must, some golden fleece. LaGuardia's story will crystallize the nebulous

dreams of many into "I too will help my city be a means of serving those who live, labor, and love within its boundaries."

WALTER J. MILLARD

Problems of a Changing Population.

Report of the Committee on Population Problems of the National Resources Committee. Washington, U. S. Government Printing Office, 1938. 306 pp. Seventy-five cents, paper bound.

Through the year 1860 the population of the United States increased roughly one-third during each decennial period. By the census of 1900 the rate of decennial increase had dropped to 20.7 per cent, rose to 21.2 per cent for 1910, and declined to 16.2 per cent and 14.8 per cent by 1920 and 1930 respectively. The 1940 census is expected to show an increase for the ten years 1930-1940 of about 7.2 per cent, based on an estimated increase of 3.6 per cent from 1930 to 1935. The social and economic implications of this slowing down of the rate of population growth present the problems examined at length in this study of population trends.

As far as the layman is concerned, the study is probably most remarkable for its prognostications—among them that our population will reach its peak at not more than 158,000,000 within fifty years, that the number of births reached its peak in 1921-25 and will continue to decrease, that the proportion of "old" persons is growing larger.

For the researcher, the municipal planner, the salesman and advertiser, it is a gold mine of facts and figures on observed changes in our population and probable future trends. Numerous charts, tables, and maps illustrate the nine chapters dealing with specific problems of migration, reproduction, health, education, culture, and economic opportunity in relation to population.

Of considerable interest are three appendices, one summarizing the need and

fields of population research, one a bibliography, and one describing in detail the continuous register system of population accounting used in Belgium, Sweden, and The Netherlands. The latter will appeal particularly to all who have occasion to use population statistics and have felt the inadequacy in late intercensal years of decennial census figures. The need for accurate intercensal estimates of even crude population statistics is well known, and the description of the continuous record system used successfully abroad suggests that adaption of the system to United States' needs should receive the serious attention of the Bureau of the Census and of the Congress.

The study was prepared by the Committee on Population Problems, of which Edwin B. Wilson, professor of vital statistics in the School of Public Health at Harvard University, is chairman. The technical staff was directed by Frank Lorimer.

W. S. S.

The Parking Problem in Central Business Districts. By Orin F. Nolting and Paul Oppermann. Chicago, Public Administration Service, 1938. 30 pp. \$1.00.

This report outlines the extent to which cities are providing public off-street auto parking areas, establishment of privately-owned parking lots, municipal regulation of such parking lots, etc. Data for thirty-three cities on the capacity, operating cost, and other information on city-owned parking lots and data for each of seventy-two cities on privately operated off-street parking areas, including the number and capacity of such lots, range of charges, number of parking garages, etc., is included.

Half of the report is devoted to methods of solving the parking problem, based on the best practices developed in 147 cities.

In-Service Training of Federal Employees. By Earl Brooks. Chicago, Civil Service Assembly of the United States and Canada, 1938. 74 pp. \$2.00.

In this booklet the author has presented the only comprehensive account available of the numerous post-entry training programs which are being conducted in the administrative agencies of the federal government. In addition to a description of training activities, comment is made upon recent trends and methods developing in this important phase of public personnel administration.

Better City Government. Edited by Roy V. Peel. Philadelphia, The American Academy of Political and Social Science, 1938. xx, 302 pp. \$2.00.

This is the September 1938 issue of *The Annals*, which has been devoted to a discussion of the goals and achievements of municipal government in this country. Thirty "experts" on government have contributed to the volume, which should prove a most excellent addition to any library on municipal affairs.

A supplement, "The Sino-Japanese Conflict", is included.

LESSON NO. 1: "HOW TO BE SMART"

(Continued from Page 4)

legislative body is supreme. They charged that "city manager managed cities have higher per capita debt than cities administered under Chicopee's present form of charter," whereas the debt tabulations prepared every year for the NATIONAL MUNICIPAL REVIEW demonstrate that with few exceptions the opposite is true.

It is tactically bad, of course, to be put in the position of having to say each day, "The other side told another lie." As the "smart boys" are so well aware, there's quite an advantage in keeping opponents on the defensive, especially when you know you are the ones with pasts to account for.

It is not so surprising that the manager plan lost in Chicopee and in a number of other cities where the "reformers" weren't "smart" in the same manner their opponents were. Rather it is surprising that they came so close to winning that a re-count was ordered before the result was definitely accepted.

On the other hand (fortunately for good government there is another hand), sleight-of-hand is not the only way to win elections. And it appears that it is not the best way either. There's apt to be rather a nasty mess when the innocent members of a ship-board pinochle game get "wise" to the card-up-the-sleeve methods of their new-found boon companions. Similarly, the number of cities where the "dumb" reformers have beaten down the "smart" politicians shows that there can be another kind of smartness. Verily, "Ye shall know the truth, and the truth shall make you free." Even in Chicopee, it may yet happen.